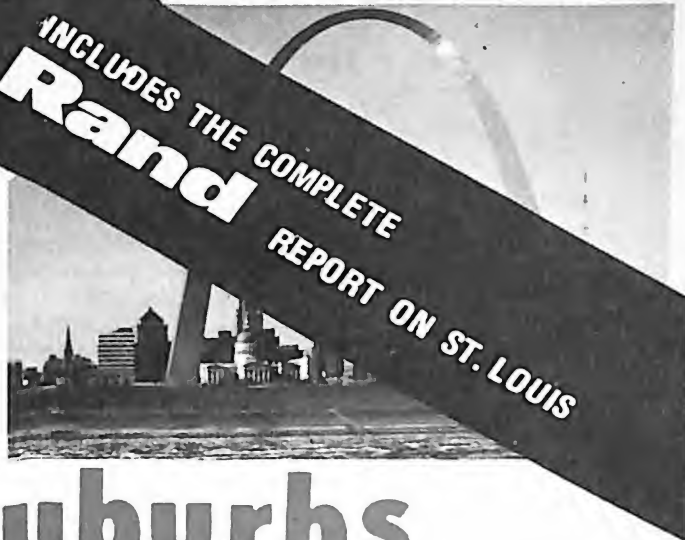


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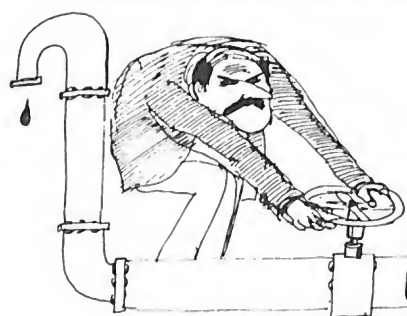
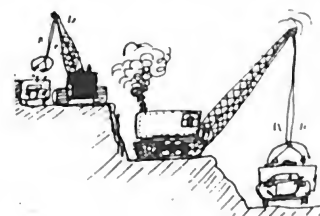


St. Louis: A City and its Suburbs

Suburbs and expressways, barriers in urban America

THE STATUS OF INTEGRATION IN SUBURBAN CHICAGO

Amax Coal Corp. vs Catlin Township



OIL.

Accused: The Oil Companies

Harry Cargas Interviews John Knoepfle

ALSO: Senator **Stevenson** favors public corporation to develop energy resources / A street encounter in **Kansas City** / Poems by John Knoepfle

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MIDWEST

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OUT OF FOCUS

(Readers are invited to submit items for publication, indicating whether the sender can be identified. Items must be fully documented and not require any comment.)

Illinois mothers entering the hospital under Public Assistance must sign their children over as wards of the State. (The Peoria Chapter of the ACLU is promoting legislation to eliminate this requirement.)

The Missouri Commission on Higher Education said in a year-end report that graduate schools were producing too many people for the job market, resulting in decreasing employment mobility and a slackening of demand for the graduates. So?

Mrs. Thomas Swigunski was dismissed as an installment loan account clerk at Mercantile Mortgage Co., Clayton, Mo., after she refused to follow a company order that she open a checking account at Mercantile Turst Co., reports the *St. Louis Post-Dispatch*. Mercantile Mortgage is a subsidiary of Mercantile Trust. By refusing to open the account at Mercantile Trust, she would not have access to her paycheck, which would be automatically sent to Mercantile Trust. In order to withdraw the money, she would have to have an account at that bank.

Ms Billie Lasker of St. Louis is a crusader for asexual "purity." Her latest target was a book for children, "Where Do I Come From?" One hour after she, 20 members of the Billie Lasker Crusade for Decency, the Knights of Columbus of University City, and the New Life Evangelistic Center had picketed the B. Dalton Bookstore in Northwest Plaza, the book was sold out. (Some publishers are wondering whether Ms Lasker might rent out her services?)

To the dismay and frustration of the *St. Louis Globe-Democrat*, the annual Veiled Prophet Committee has decided to abandon the use of the public Kiel Auditorium for its annual balls after 100 years, following a campaign by ACTION, an interracial human rights organization. The committee and ball has been noted for its racial and religious exclusiveness.

Missouri's state capitol is the only statehouse in the United States without a "front door." The south side, which is most seen by the public, is the backside of the building. The front faces the Missouri River to the north and has neither entrance nor exit.

W.A. (Tony) Boyle was sentenced to three years in federal prison and fined \$130,000 for making an illegal political contribution to Sen. Hubert H. Humphrey in 1968. Boyle is the former president of the United Mine Workers. A series of corporation executives who pleaded guilty to illegal contributions to President Nixon's re-election campaign, each received a \$1,000 fine and no prison sentence.

Mary Cairns, 8 years old, screamed, "I want my mother," when sentenced to 18 months detention for stabbing an 11-year-old playmate in Scotland during a fight. The playmate is recovering. Mary was carried from the court screaming for her mother.

The "educational gap" has grown. In 1974, the average black in Missouri has 10 years of education while the average white Missourian has completed 12 years of school. In 1960 only about a year of school separated the two groups. Nationally the education gap has decreased.

Billions of public funds have been used to put man into space. Now the scientific and economic fallout is given free of charge to giant private corporations. Photographic clues from a U.S. satellite has led to the discovery of large deposits of uranium in Cape Province, South Africa. American and South African mining companies are prospecting and taking up options on farms all over the area. Two American mining companies, Union Carbide and Utah Mining, have started prospecting while three other companies, U.S. Steel, Newmont and Rand Mines of South Africa, are seeking options.

"There is a somewhat bizarre aspect of the American release of the film: 'The Mattei Affair' takes a hard and explicit line against American oil companies. The most infuriating scene of all, in fact, is Mattei's confrontation with the near obscene representatives of these interests. Yet the film is being distributed by Paramount Pictures — and Paramount is owned by Gulf and Western. In addition, we have the paradox that 'The Mattei Affair' is completely free of violence, sex, nudity and vulgar language. But it received an R rating from the MPAA. Under these circumstances it is difficult to avoid wondering whether the ratings board is using the system for de facto political censorship."

Stuart Rosenthal in the *St. Louis Post-Dispatch*

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NOTICE:

In recent weeks, some St. Louis residents received a mimeographed letter asserting that a class action suit is being prepared against a St. Louis reporter. The letter was signed "F/M, P.O.Box 3086, St. Louis, Mo." The letter was not mailed by FOCUS/Midwest and represents an unauthorized use of our name by an unknown party. A complaint has been filed by FOCUS/Midwest with the postal authorities.

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COMING INTO FOCUS

Suburbanization — for whom?

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Fifty Million Kilowatthours for missile installations

Although neither Missouri nor Illinois are immediately involved, the Pentagon decision to seek approval for cross-country flights of missiles calls attention to Minuteman installations in this area and all they stand for.

The magazine *Rural Electrification* reports that the center of operations for Minuteman installations in Missouri is Whiteman Air Force Base located in Johnson County. The base takes in 3,400 acres of land, 500 of which are covered in cement. It controls 10 facilities covering 15,600 square miles of the Midwest.

Each launch control facility houses ten missile silos. Even in these days of conserving energy, one can be sure that their energy demands will not be questioned. *Rural Electrification* reports, "It takes a lot of electric energy to keep these 15 launch control facilities and 150 missile silos of the 351st (Strategic Missile Wing) in perfect working order — over 50 million kilowatt-hours a year to be exact, and a good portion of this power is provided by four Missouri RECs (Rural Electrification Cooperatives). Central Missouri EC, Co-Missouri EC, Sac-Osage EC, and West Central EC all play an important role in the Minuteman system."

Fifty million kilowatt-hours in one region for one defense system. Who said that America couldn't handle its *civilian* energy requirements? Maybe Congress should check on the Pentagon and its unbridled usage of energy for weapons' systems.

Senator Stevenson favors public corporation to develop energy resources

Watergate highlights the corruption of our political process. The oil crisis reveals a similar corruption within our economic life. For a starter, no one is absolutely certain that there is an oil crisis except possibly Energy Chief Simon. Only the select few in the oil hierarchy are privy to all the facts. Since everyone else, that includes governmental and academic experts, has only secondhand information, we, too, can speculate and participate in this national pastime of finding the culprits.

It's all circumstantial evidence, as we said. But since governmental spokesmen and oil company ads seem equally fervent insisting that the crisis is real, we would like to recite from a few news stories which should give the reader second thoughts.

- Before the oil shortage, shale oil could not be exploited because of cost and environmental objections. The rise in oil prices has now made the exploration of shale oil a profitable possibility and the Interior Department has already decided to go ahead with the program although it is aware of severe environmental drawbacks.

- A former Middle Eastern specialist for Standard Oil Co. of California claims that the crisis is an invention by the government to draw public attention away from Watergate and by the oil industry to increase profits. Christopher T. Rand, the expert, suggests that if Congress passes legislation forcing disclosure of oil data, the industry spokesman would simply say, "Oh, we looked in our tanks and it turned out there was more oil than we thought."

- Congress passed construction of the Alaskan pipeline and environmentalists have gone into hiding.

In our last issue we suggested that public acquisition or nationalization of mismanaged industries

St. Louis County Police Board issued misleading statement

FOCUS/Midwest reported last fall that the St. Louis County Board of Police Commissioners would finally act on a draft of a complaint procedure within two months, after having received the original report four years ago. So far nothing has happened. We are disturbed both by the inaction as well as the outright misleading statement issued by the chairman. Doing nothing in effect rejects the recommendation. The time is overdue for the Board to have the guts to take a stand one way or another.

(Amtrack, etc.) should not only be considered when there are losses, such as the railroad or public transportation industry, but also when there are substantial profits, such as the oil companies.

Such action must incorporate safeguards that the enormous power in oil would not accrue to the political party in power, Republicans or Democrats. Such safeguards can be designed. After all, the government is, for example, in the insurance business (social security), medicine (medical care, medicaid), printing and publishing (GPO), and so forth, none of which are known for being corrupt or politically exploited by the incumbents. Indeed, by the creation of the Atomic "Energy" Commission it has been in the energy producing business for some time.

Mismanagement, shortages, excessive prices, public discontent, and economic reversals are in combination sufficient justification to buy out the oil bankers.

U.S. Senator Adlai E. Stevenson is among the few legislators who dares to address himself to this very question. He has introduced legislation to create a public corporation to develop resources for the benefit of the public.

In his *Washington Report* the Senator declares that: "One of the ironies of the energy crisis is that the U.S. has vast undeveloped reserves of oil and natural gas. These resources lie under public lands. They are owned by the people — the same people who are now paying for years of mismanagement of the nation's energy resources."

Senator Stevenson has introduced legislation to create a public corporation to develop these resources for the benefit of the public.

In addition to producing needed fuel, the public corporation would stimulate competition in the petroleum industry and provide a "yardstick" against which the costs and performance of private companies could be measured. "It would help keep the major oil companies honest," Stevenson said.

Stevenson cited the record of the Tennessee Valley Authority in the production of hydroelectric power and pointed out that "other nations have long recognized that the assured production of oil and natural gas at reasonable cost is essential to the public interest."

Pornography in Wentzville

Mrs. Roberta Payne, a teen counselor for the Urban League of St. Louis, was invited by Mrs. Cindy Bernsen, a Wentzville (Mo.) public school teacher, to present a series of workshops for Mrs. Bernsen's junior high and senior high school pupils. These workshops were given during the school day of Monday, November

ber 12, 1973, for Mrs. Bernsen's health and hygiene classes.

The Wentzville School Board had a meeting that Monday night, November 12, 1973, and during the meeting, voted to suspend Mrs. Bernsen without pay, charging her with inviting a social service agency to come in and pass out pornographic literature.

The literature in question is published by the Planned Parenthood Association, Office of World Population, and is available to anyone requesting it throughout the United States.

The Urban League has used this material in its Family Life Education and Health Education program for several years — and there has never been a comment hinting that this educational material might be considered "pornographic."

Aren't there some citizens in Wentzville who can induce their school board members to join the twentieth century?

A Black United Fund

The purpose and direction of the United Fund has rarely been questioned. A couple of years ago a group of private citizens found that the UF may support many good causes, but the needs of the poor or the Blacks are not necessarily among them. In recent years, the UF has been somewhat more responsive.

When the UF hired an outside consultant firm to study its own operations, the findings were never made public. If it alleged that they paralleled many of the complaints voiced by the private citizens.

While internal and external criticisms didn't change the allocation of UF monies, the creation of the United Black Community Fund for the Metropolitan St. Louis area may have a more dramatic effect. The Black UF could and no doubt will call upon labor groups, businesses, and other institutions for their cooperation in collecting donations. Of course, this would create a schism in loyalties, duplicate collection efforts, and dilute the influence of the established UF. When this situation arose in Washington, D.C., a com-

promise was worked out. The newly formed Black UF was integrated into the established UF and given a substantial allocation.

We hope that the St. Louis civic leadership is capable of the same enlightened cooperation and that the black group shows enough stamina to be reckoned with in years to come.

Clifford Wilson, executive director of the Brotherhood of Black Packing House Workers, and Mo. State Senator Raymond Howard, an attorney, are assisting in establishing the fund. It is our hope that they can call upon sufficient resources and support to establish a firm base for their undertaking.

A street encounter in Kansas City

A Watergate-style cover-up took place in Kansas City last summer. The plot hatched at Police headquarters at 11 o'clock on the night of May 9, 1973.

Due to the investigative work of Sidney L. Willens, attorney and frequent contributor to FOCUS/Midwest, this plot ultimately unravelled and the guilty, Patrolmen William Sowder and Robert Mathis, were suspended for 60 resp. 10 days. Since in most instances, private citizens are at a clear disadvantage in challenging statements by police officers, it is of some value to follow the details of this case.

Sowder and Mathis shared the professional knowledge that chances were slim that any prosecutor would charge them with a crime or that they would be caught.

All the weight of the forces of the Police department would be thrown against their victims, Wilbert and Rose Mary Neal, the couple they had just beaten and arrested.

Already other policemen had locked up the Neals inside a paddy wagon and were carrying them to General hospital for treatment. Soon the Neals would be returned to Sowder and Mathis at headquarters for them to charge the Neals with crime.

The drama unfolded an hour and a half earlier at 31st and Indiana. Sowder and Mathis were part of a tactical unit to keep under surveillance certain known "perpetrators" of crime. They wore plainclothes. They rode in an unmarked car.

As Sowder and Mathis cruised along 31st street on this pleasant spring evening they observed Jerry Kelton, a felon. Kelton had just gotten out of his Cadillac parked on a lot on the northwest corner of 31st and Indiana. He had started to walk south across the street to the Rafiki Lounge.

Mathis stopped his patrol car. Sowder got out and walked to the rear where he exchanged friendly words with Kelton, frisked him lightly, and let him proceed to the lounge. Mathis got out and walked to an Oldsmobile parked alongside the curb and slightly ahead of his patrol car.

Mathis knocked on the window of the Oldsmobile, showed his police identification through the window, and ordered the driver, Wilbert Neal, to come out. Mathis waved to the passenger, William Johnson, to get out on the passenger side. They all moved to the rear of the Oldsmobile where Mathis questioned Neal and Johnson. Sowder stood by silently.

Rose Mary Neal had not seen Sowder and Mathis drive up. While Wilbert waited in the car, Rose Mary had walked across the street to J. B.'s Barbecue for a carry-out food order that had to be prepared.

Rose Mary saw the two plain-clothes men sur-

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rounding her husband on her way out of J. B.'s. As she walked across the street she asked the unidentified men what they were doing to her husband.

"Shut up," Sowder said.

"I don't have to shut up," Rose Mary replied. "That's my husband."

Sowder told her to shut up again.

Rose Mary, who assumed the white men were policemen, put her food package inside her Oldsmobile. Sowder quickly walked over to the Olds, opened the door, grabbed Rose Mary's purse, and slammed it down on top of the car.

"Don't be throwing my stuff around," Rose Mary said.

"I told you to shut up," Sowder replied.

"I don't have to shut up," Rose Mary answered. "You look like you're 22 and you don't have any right to throw my purse around and to tell me to shut up. That's my husband."

"You look like you're 35," Sowder said. "And I'm going to shut you up."

Sowder lunged for Wilbert who faced him, threw him to the ground, and grabbed Rose Mary and put her neck in a hammerlock. He began to strike her face with his fist.

Rose Mary cried out hysterically. Sowder swung her around and slammed his revolver against her back. Wilbert sprang to his feet to rescue his wife. But Mathis struck him across the forehead with a nightstick.

At headquarters Sowder and Mathis reflected on these events. They knew Sowder triggered the incident. He had lost his cool. He was over six feet tall. He had jumped on a five-foot tall unarmed woman, punched her in the face, and struck her with his revolver.

But the die was cast. There was no turning back. For their own protection, Sowder and Mathis must charge the Neals with the crime of resisting arrest, this would justify Sowder hitting Rose Mary and Mathis striking Wilbert.

But a sticky legal problem faced Sowder and Mathis. How to find "reasonable grounds" required by law to stop and detain a citizen.

Why did Mathis walk over to the Neal car in the first place? Why did he order Wilbert and William Johnson out of the car?

Mathis recalled an unopened beer bottle sitting on the hump under Neal's dashboard. He could not have seen Wilbert drink from it, Mathis reasoned, unless the patrol car passed by Neal vehicle. So Sowder and Mathis agreed they did not stop at the first sight of Jerry Kelton.

Instead, they concluded, the patrol car had to round the block and go by the Neal vehicle. They could then have observed Wilbert drinking from the bottle. This would justify the stop and the charge of "having control of a motor vehicle while under the influence of intoxicating liquor." Sowder and Mathis knew the law required the motor of Neal's parked vehicle to be running before a conviction on such charge. So they agreed they had to hear it running.

The next problem for Sowder and Mathis was to justify the criminal charges against the Neals.

Rose Mary, the officers agreed, had to jump on Sowder. And Sowder merely had to act in self-defense. Mathis then had to hit Wilbert with a nightstick as he jumped to strike Sowder.

To unravel this story the defense got the eager cooperation of witnesses who fearlessly came forward.

Depositions before the Municipal Court trial immeasurably aided the defense. In his deposition Sowder was asked to trace his exact movements after he got out of the patrol car. Unknowingly, he proved that he had had all of his direct contact on the passenger side of Neal's vehicle with William Johnson. Yet Sowder said he could immediately smell alcohol on Wilbert's breath.

Sowder was asked to repeat everything he said to Rose Mary after she arrived on the scene. Finally, he recognized that he had not told her he was a police officer, as required by Missouri law.

In his deposition Mathis said he saw Wilbert start to attack Sowder who was scuffling with Rose Mary. But Mathis testified he did not observe Sowder strike Rose Mary. Nor did he hear her scream.

Yet independent witnesses across the street saw Sowder punch Rose Mary in the face "several times" and heard her loud hysterical screams. Mathis agreed he was looking in the direction of Sowder and Rose Mary.

Sowder and Mathis said Wilbert and William Johnson "appeared to be exchanging words" with Kelton. Yet Neal's car windows were up and, according to the officers, Kelton stood on a spot away from Neal's car on the north edge of the sidewalk. The sidewalk is 12 feet wide.

A crowning blow to the City's case against the Neals came indirectly. In a circuit court hearing on Wilbert's application for reinstatement of his driver's license, Sowder took refuge under the Fifth amendment.

Fearful of a perjury charge, Sowder did not repeat his affidavit under oath that Wilbert had refused a breathalyzer test. This affidavit formed the basis for Wilbert's license revocation by the Safety Responsibility Unit in Jefferson City. A circuit court judge quickly reinstated Wilbert's license.

Again, apparently fearful of a perjury charge, Sowder declined to testify in the circuit court trial on the very charges he had brought against the Neals.

Judge Alvin C. Randall dismissed all charges.

The Neals case is a typical street encounter between a policeman and a citizen. There are usually three steps to such a confrontation. Here it was Officer Sowder's perception of a challenge to his authority when Rose Mary asked him what he was doing with her husband.

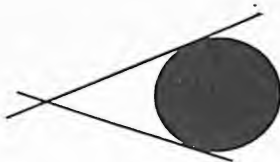
The second step was Officer Sowder's demand for submission ("shut up"). The third step was Rose Mary's response to the demand. She refused to go along with Sowder's improper behavior, including the slamming of her purse on top of the car.

The apparently irrational and provocative behavior of Officer Sowder raises the question whether he deliberately encouraged the difficulty. This is one of the unresolved questions about his behavior, one that may never be answered.

But the worst problem in this incident was not that Sowder and Mathis quarreled with Wilbert and Rose Mary. Most such quarrels, while never admirable, are at least understandable.

The worst abuse is not even that Sowder and Mathis hit the Neals; after all, irate citizens hit each other in private disputes every day.

The root problem was their abuse of power, the fact they not only hit Wilbert and Rose Mary but charged them with crimes. Once that happened, lying became an inevitable part of the procedure of making the quarrel look like a crime.



COMING INTO FOCUS

(This is the first of a new column highlighting people and organizations, issues and campaigns, situations and developments, which have their locale in Missouri or Illinois and which make the workings of democracy more effective. Democracy we understand in its broadest terms — culturally, socially, and politically.)

WOMEN IN ARTS The first "Festival of Missouri Women in the Arts" will be held in communities throughout Missouri during the spring and summer of 1974. Featuring women artists, writers and performers, professional and non-professional, the Festival is open to all Missouri women over 18. The project is being coordinated by the Missouri Division of the American Association of University Women and other women's organizations. Registration forms and further information may be obtained by writing: Festival Registrar, Box 67, Florissant, Mo. 63033.

CONGRATULATIONS TO Charles Guenther, St. Louis poet, who was honored by the Italian government in recognition of his translations of contemporary Italian poetry and his "long and valuable work permeating two cultures" . . . **Art Simon**, a Lutheran pastor on the Lower East Side of Manhattan, is organizing "a citizens' lobby against world hunger and poverty" called Bread for the World. *Commonweal* magazine reports (Feb. 8, 1974, p. 460) that Art Simon's book "The Politics of World Hunger" (Harper's Magazine Press, \$8.95) is both manifesto and manual for that movement. Written with his brother **Paul Simon**, journalist, former Lt. Governor of Illinois, and presently electioneering for Rep. Kenneth Gray's seat in the 24th District, *Commonweal* declares "the book is also one of the most readable, informed and action-directed statements on the scandal of global poverty to come along in a very long time." . . . the **Ford Foundation** for investing \$160,000 in the Illinois Neighborhood Corporation. The South Shore neighborhood in Chicago has changed dramatically in the last several years. In 1950 there were no blacks; now the area is 69 percent black, and 7.2 percent of the population have incomes below the poverty line. Established lending institutions are withdrawing mortgage credit, a common practice in deteriorating inner-city areas. The Corporation has been formed to spur the economic and social development of the community. Its first act was to acquire the South Shore National

Bank, which will provide loans for minority businesses, community projects, and the construction and rehabilitation of housing.

BOLLING RECOMMENDATION: A fossil of America's recent past is the House Internal Security Committee (formerly HUAC), chaired by **Rep. Richard H. Ichord** (Dem.), a congressman from Missouri's conservative 8th District. Another Missouri congressman, **Rep. Richard Bolling** from Kansas City, as head of a special House committee on reorganizing House committees proposed to transfer the legal jurisdiction of Ichord's committee to the Judiciary Committee. Ichord doesn't like that. But with detente in vogue and with only **Phyllis Schlafly** left to stir the fires of the red scare, that overdue reorganization may even have a chance.

HOW DO YOU SEE "ALL IN THE FAMILY?" — In "Archie Bunker's Bigotry: Perceptions in the Eye of the Beholder," appearing in *Journal of Communication*, authors Neil Vidmar and Milton Rokeach report on a study on the successful television series. They report, "Nonprejudiced viewers and minority group viewers may perceive and enjoy All in the Family as satire, whereas prejudiced viewers may perceive and enjoy the show as 'telling it like it is.'" The study gives support to the contention that All in the Family has harmful effects; that perhaps it "encourages bigots to excuse and rationalize their own prejudices," rather than providing a "cathartic reduction of bigotry."

BOOKS: The 1974 edition of "The Almanac of American Politics" gives not only factual details about Senators, Congressmen, and their electorates, but it also gives voting records and incisive descriptions of all congressional districts and states. The tendency would be offer the readers a 1240-page compendium chockfull of dry facts. While it is full of facts, tables, and summations, the writing is nevertheless colorful. Here is one sample. Discussing Rep. Richard H. Ichord's chairmanship of the House Internal Security Committee (formerly HUAC), the editors summarize the history of this ineffectual committee and the attempts to cut its budget. "After all, considerable evidence exists in these Nixon days that the committee had looked for conspiracies in the wrong places."

"**The Ebony Handbook**," (Johnson Publishing Co., p. 553, \$20.00) is an expensive but excellent reference work on blacks in America. It offers comprehensive data and tables on socioeconomic characteristics, health and welfare, contemporary events, education, law, sports, among many other topics.

More power to the **Missouri Association for Social Welfare** for their report on Missouri's jails. The 134 jails reported on by MASW were built during the late 1800s and early 1900s. Fifty of these do not have twenty-four hour supervision; in over fifty there are no visiting areas at all; forty-five of these jails are seventy-five to one

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hundred years old or older; twenty jails have wooden ceilings, dangerous wiring, and other flammable construction; and, at least, two jails have been continually condemned by local grand juries but are still in use.

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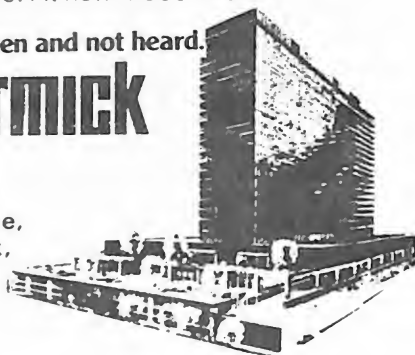
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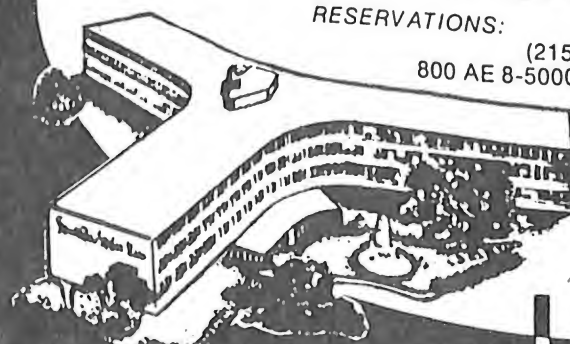
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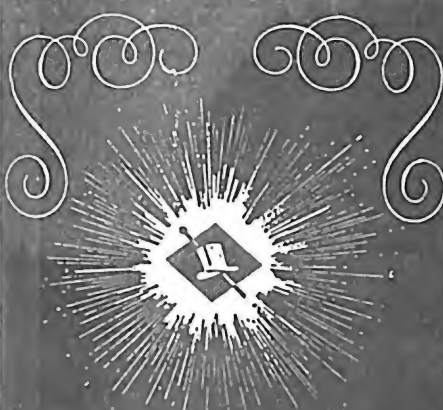
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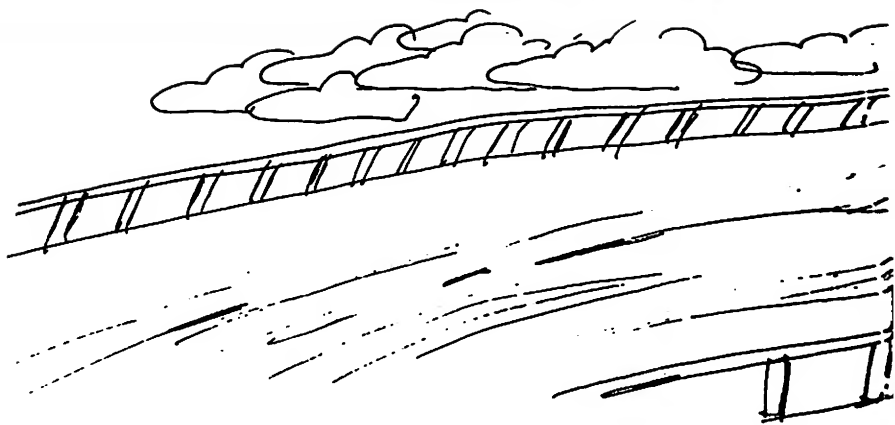
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Suburbs and expressways, barriers in urban America



THE STATUS OF INTEGRATION IN SUBURBAN CHICAGO

PIERRE DE VISE

Freedom of movement and the pursuit of happiness are perhaps the two most distinctive traits of life in America. No other nation is large and rich enough to match the geographic and social mobility and the standard of living enjoyed by the American people.

We have used this freedom of movement in pursuit of happiness to flock in ever greater numbers to densely packed metropolitan areas. Almost three-fourths of all Americans now live in 300 such urban concentrations. But have we found happiness there? Not if we are to believe opinion polls which show that only about 15 percent of Americans prefer to live in large cities and that the great majority — between 60 and 70 percent — indicate a preference for living in small towns. But despite these preferences, Americans keep gravitating away from small towns and farms to large urban areas.

The man-made landscape and flatlands of the former prairies and swamps of Cook County cannot match the scenic beauty and variety of the rolling hills and forests of Southern Illinois. Only a dozen counties in the nation have dirtier air than Cook County. Only eight counties have a higher homicide rate. In only two counties must workers travel farther to work. Yet ten times as many people live in Cook County as live in the 27 counties of scenic, safe, and sanitary Southern Illinois.

Small Towns Forsaken for Jobs

The answer to this paradox, of course, is that lovers of the small town forsake those small towns for the higher-paying and more plentiful and more interesting jobs available in the big cities. A recent opinion survey conducted in Midwestern states revealed that 70 percent of the population want to live in a small town within 30 miles of a large city. But only 10 percent want to live in the large city itself. The remaining 20 percent — who make up two-thirds of those living outside of metropolitan areas — indicated a preference to stay there.

Within the six counties of metropolitan Chicago, 50 to 60,000 people move each year from the big city to the suburbs. In this way, they pay homage to the nostalgic small towns, rolling hills, and forests of Southern Illinois. They move to places called villages which have more people than most Illinois counties, to places with uplifting names

like Mount, Hills, Heights, and Ridge to dignify natural or landfill elevations of 5 to 10 feet, and to places with sylvan names like Forest, Wood, Oak, Park, and Lawn as a memorial to the former vegetation cover.

Even those who stay in Chicago can vicariously enjoy the experience of living in small towns, hills, and forests by living several hundred feet off the ground in places called Sandburg Village overlooking the 90-year old woods of Lincoln Park.

Those who wish to enjoy the wilderness experience more vigorously can visit the South Side communities Kenwood, Oakland, and Woodlawn, where nature lovers are speeding the reforestation of these former woodlands by burning down the buildings.

Half of Chicago's 76 communities have names that reflect the nostalgia for ancestral small towns, hills, and forests.

Not just the people, but also jobs, stores, and institutions flee the city for the suburbs. In the last ten years Chicago lost half a million whites, 229,000 jobs, and 760 stores. The suburbs on the receiving end gained 800,000 whites, half a million jobs, and 800 stores. For Chicago, the losses amounted to 18 percent of its 1960 white population, 14 percent of its jobs, and 17 percent of its stores.

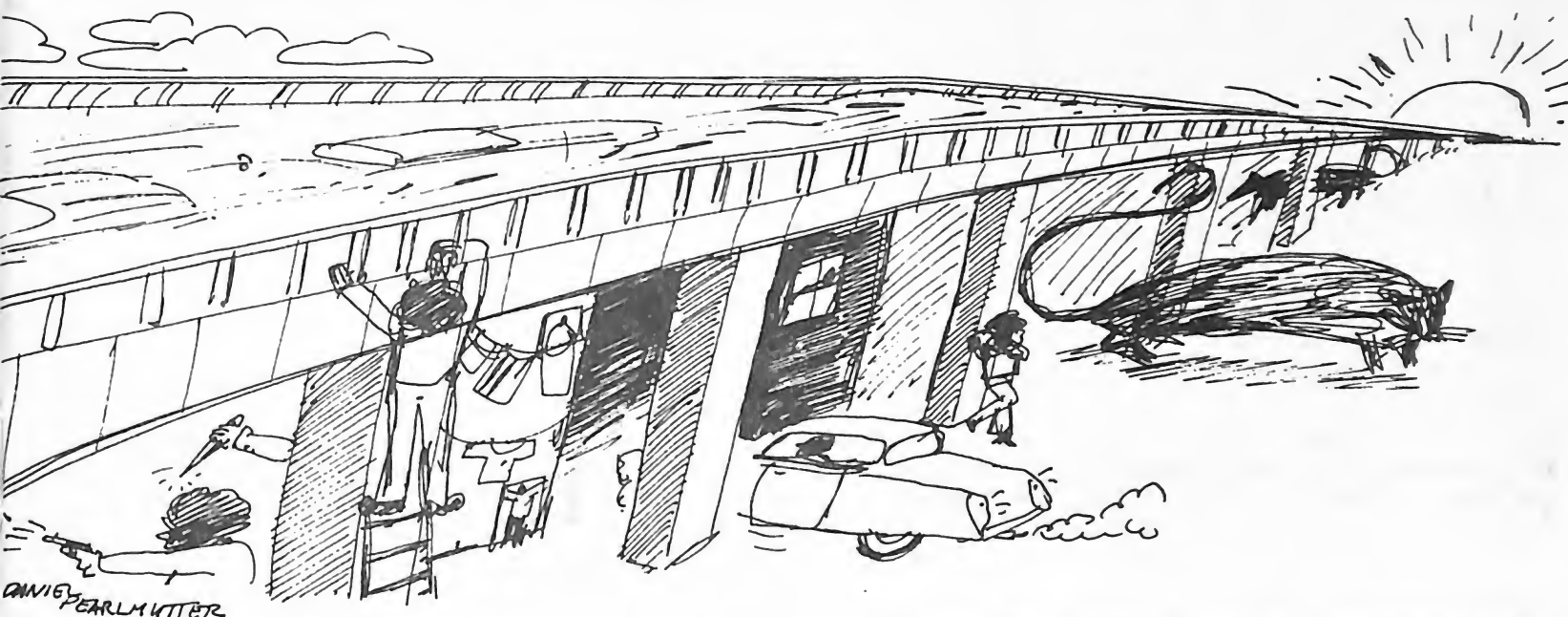
Is suburbanization proceeding too fast?

Is the nostalgia of the small town the main driving force? Or do people follow the jobs? Does the influx of blacks and other minorities into the inner city contribute to the suburban flight? Do expressways and increased car ownership facilitate the flight? Do all people benefit equally? Who gains? Who loses? How do real estate interests, the local tax base, institutions, and transportation adapt to this huge movement of people and jobs?

Suburbanization Is Inevitable

We have provided some answers to these questions in previous articles.

The tendency of people to move away from cities to suburbs is universal and is not appreciably affected by such things as the city's loss of jobs, the influx of minorities, or new expressways. For example, cities with no new expressways lost just as many jobs and gained just as many automobile commuters in the last ten years as cities with new



expressways. Metropolitan Chicago since 1960 gained a third more automobile commuters and lost 13 percent of its mass transit commuters not because of its expressways but because the new locations for home and job are not accessible by public transportation. Work places still accessible by public transportation have not lost transit commuters. More rapid transit riders and fewer car drivers commute to Chicago's downtown today than 20 years ago, even though all the new expressways converge on the Loop.

In the face of residential and industrial dispersion, no amount of subsidies or metropolitan-wide unification or coordination of transit can reverse the trend of fewer transit riders and more car drivers. Even the elimination of the fare altogether would not result in more riders ten years from now.

Mass transit is essential for downtown workers and for workers who do not have a car. But mass transit cannot survive today without a subsidy even in New York City which has by far the best conditions for it. A permanent and substantial transit subsidy, fed in part by motor fuel taxes, is therefore urgently needed. Also important is transit unification. But the main purpose of subsidy and unification is to reduce fares, not to increase ridership, which is a lost cause.

Suburbanization Not For Poor and Blacks

The middle class and whites have benefited far more from suburbanization than have poor people and blacks. Within the six counties of metropolitan Chicago, 61 percent of the whites but only 10 percent of the blacks live in the suburbs; 71 percent of the families that earn over \$25,000 but only 15 percent of the families on welfare live in the suburbs. Blacks, regardless of income, are being denied the advantages of the better housing, jobs, stores, and schools available in the suburbs. Most of the new industries are locating in the northwest suburbs, far removed from Chicago's southside. Worker shortages in the northwest suburbs cannot be filled by unemployed blacks on the South Side because of distance and lack of public transportation and convenient expressway linkages.

Blacks suffer in other ways. The suburbs have drained not only the jobs from the inner city but also the tenants of tens of thousands of residential, industrial, and commercial

structures. The resulting vacancies are concentrated in the black inner city creating about a dozen square miles of dying communities. Real estate developers are catering to the suburbanizing propensities of whites by building twice as many new residential, commercial, and industrial units as are needed. The housing and commercial surpluses naturally occur where the markets are weakest. As a result, Woodlawn and a dozen other poor black communities lost over a fourth of their housing and over half of their stores just in the last ten years.

Economic and Racial Segregation

Blacks are shut out of the suburbs by both economic and racial segregation. Blacks make up 25 percent of the renters and 6 percent of the home owners in metropolitan Chicago. The higher the housing cost, the lower the percent of black occupants: Thus blacks occupy but 5 percent of the apartments renting over \$200 a month and only one percent of the homes valued at \$35,000 or more. This kind of economic segregation has been fostered in the suburbs by municipal zoning practices and other land development controls to hold down population density and to keep out middle and lower income families whose housing would not yield enough property tax base to pay for local services. Economic segregation has also been fostered by subdivision builders who produce large housing developments in the same price range because of the house buyer's preference for homogeneous class neighborhoods.

Racial segregation occurs when blacks are excluded from the housing they desire and can afford. Thus racial segregation keeps blacks out of Chicago's Bridgeport and Cicero even though the average housing cost there is much below the average cost paid by blacks. Racial segregation accounts for about two-thirds and economic segregation for about one-third of the exclusion of blacks from Chicago's white communities and suburbs. The combined effect of economic and racial segregation is the packing of 78 percent of Chicago's blacks and 96 percent of suburban blacks into neighborhoods that are 90 percent or more black.

In terms of housing costs, DuPage County is the most economically segregated county in Illinois and Arlington Heights is the most economically segregated large suburb (50,000 or more people). The potential housing market for blacks is a major index of economic segregation. In a

color-blind housing market — in other words, in the absence of racial segregation — blacks would occupy 7 percent of the housing in DuPage County and 5 percent of the housing in Arlington Heights.

Both DuPage County and Arlington Heights are defendants in complaints of exclusionary housing and zoning practices now before the Federal Courts. Relief from this kind of exclusion should be sought on behalf of all lower income people who are thereby deprived of access to the new jobs opening up in the west and northwest suburbs. But such relief, if it is granted, will be of little help to black people in the face of the more formidable obstacle of racial segregation. In fact, most low income and moderate income housing projects in Chicago and suburbs are just as racially segregated as in the private housing market.

Racial discrimination cannot be legislated or adjudicated out of existence. On strict economic grounds, hundreds of thousands of blacks could move closer to the more plentiful jobs and better schools in the suburbs. They are prevented from doing so by the knowledge that they are unwelcome in the suburbs. How many whites would move to the suburbs at the price of ostracism, insults, and vandalism? How many Jews and Catholics now move to anti-Semitic and anti-Catholic suburbs like Kenilworth?

Expressways Should Be a Link — Not a Barrier

If the suburbs continue to shut out black residents, we must find other ways to make suburban jobs more accessible to Chicago's South Side. We need to take a hard look at our expressway system. The main rationale for building expressways was to speed up the work trip and other trips. Travel time was reduced tremendously by expressways outside of peak hours. But the expressways have become so popular for work trips that they are failing because of their success. For at least the first five miles, the nineteenth century commuter on horseback or bicycle could get home from work faster than the twentieth century commuter can in a car today.

Another rationale for building the expressways was that they would relieve automobile and truck traffic on the surface streets. But what has happened is that expressway traffic during peak hours spills over onto the surface streets until the speeds on both are equalized to a creeping, stop-and-go 10 to 15 M.P.H.

These unforeseen self-defeating developments are due to the inefficient use and the incomplete status of Chicago's expressways. During rush hours, the average load is 1.2 persons per car. Expressway capacity could be increased by one third and travel speed could be doubled overnight if cars carried an average of two persons — that is, the driver and one passenger.

The original expressway plan specified seven radial and three concentric expressways in the first two stages of construction. The seven radial expressways were built first because of the higher cost of land acquisition in the core of the city. But the anti-expressway revolt cut down the three concentric expressways to one — the Crosstown — and even this sole survivor has a precarious future. The original expressway planners would have been horrified at the thought of freezing the network in its present radial pattern converging on the Loop. They would probably have predicted worse congestion than we actually have in the funneling of seven expressways into the main stem of the Dan Ryan-Kennedy.

Forcing South Side blacks working in the northwest suburbs to use this main-stem congested by workers bound for downtown, and to pass through that downtown which shuns them as workers is a double affront. The main stem

of Dan Ryan-Kennedy must be decongested by penalizing drivers who do not carry passengers and by building at least one of the three crosstown expressways originally planned.

Reducing racial discrimination through community open house programs is clearly a voluntary local community initiative. Reducing expressway congestion is just as clearly a governmental responsibility. Exhortation to form voluntary car-pools would be just as ineffective as similar appeals to individuals to voluntarily reduce their consumption of pollution-producing goods like automobiles.

Penalize The Sole Driver

In view of man's propensity to befoul his nest, and his reluctance to voluntarily forego the freedom to drive a car in return for an intangible common good, nothing short of a severe financial penalty would induce people to join car-pools and convince them that carpooling would be substantial enough to reduce expressway traffic and speed the worktrip.

Such a financial penalty might be a city sticker of \$300 a year giving individuals a license to drive on expressways during rush-hour without passengers. A driver with one passenger would pay \$50 a year, and a driver with two or more passengers would pay nothing.

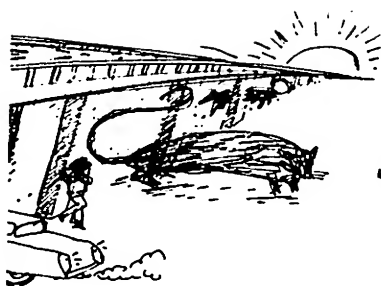
This sanction should effectively decongest all the expressways other than the main stem of the Dan Ryan Expressway. The way would then be clear to build one of the three planned Crosstown Expressways with the guarantee that it too would not become congested in two years and that it will divert enough drivers from the Dan Ryan-Kennedy to decongest that bottleneck. Many drivers would persist in driving alone despite the dollar-a-day penalty. The expected revenue of from \$30 to \$50 million a year should go to finance a consolidated metropolitan transit authority and to reduce the fare to 25 cents per zone in a four-zone or five-zone division of the expanded service area.

Here then are two reforms specifically designed to give blacks some of the advantages of the greater freedom of movement in pursuit of the urban happiness enjoyed by whites. One is a voluntary community initiative — opening the existing housing supply to blacks, and the other is a government action — decongesting the expressways by penalizing passenger-less drivers and by building the Crosstown to break the Dan Ryan-Kennedy bottleneck.

Although of greatest benefit to Chicago blacks, these two actions would benefit whites and suburbanites as well. By removing existing barriers to the mobility of workers, we permit a more natural development of service industry in the suburbs, and we speed up the worktrip for all.

Many feel that restrictive zoning in the suburbs is the main obstacle to the suburbanization of blacks and many think that the expressway is public enemy number one in the matter of clean air, traffic-congestion, a solvent CTA, and Chicago's job drain. However, by far the main deterrent to blacks moving to the suburbs is their belief that they are not welcome there. All cities are experiencing identical increases in automobile commuting, declines in public transportation, and losses of jobs to the suburbs regardless of whether expressways were built or not. These developments have occurred because the urban sprawl of new jobs and homes is not accessible by public transportation, and it cannot support a transit system because of low densities and dispersion.

So long as citizens and politicians maintain these myths and smokescreens of liberal ideology, so long will attention and action on real solutions be distracted and delayed.



SUBURBIA:

The status of integration in suburban Chicago

Much has been said in recent years about the extent of participation of the black community in the benefits of middle class urban society. The continuing segregation of blacks within the nation's large cities, and their exclusion from the suburbs seems incontestable by the sheer weight of statistical evidence. For Chicago's metropolitan area, for example, 90 percent of the blacks are confined within the central city, about the same proportion as ten years ago. Within Chicago itself, 78 percent of the blacks live in neighborhoods that are 90 percent or better black, a higher proportion than ten years ago.

Yet, from the same set of statistics, people can draw apparently contradictory conclusions about the relatively narrow issue of black suburbanization in the 1960 decade. Witness the following examples for the Chicago area.

- "The proportion of Negroes in the suburbs jumped by one-fourth in the last ten years (from 2.9 to 3.6%)"
- "The proportion of Negroes in the suburbs crept up by a fraction of one percent point in ten years (from 2.9 to 3.6%)"
- "In the 1960's Negro population grew twice as fast as white population in the suburbs (66 versus 34%)"
- "If we exclude 15 industrial suburbs and satellites, Chicago's suburbs have fewer Negroes today than ten years ago (0.7 versus 0.9%)"
- "Negro population grew twice as fast in the suburbs as in Chicago in the 1960's (66 versus 36%)"
- "Ninety percent of the metropolitan area blacks live in Chicago, about the same proportion as in 1960"

No Change for Blacks

From time to time, readers of Chicago's Sunday supplements are regaled with success stories of open housing agencies helping a handful of black families buy a home in a posh suburb. But a close reading of 1960-70 census changes should disabuse anyone of the notion that racial barriers are being lifted in the suburbs. Eighty-three percent of Chicago's black suburban population of 128,300 lives in mostly segregated neighborhoods in 15 of the area's 237 suburban municipalities (see Table 1). The entire 10-year gain of 50,800 suburban blacks occurred in these 15 suburbs. Thus, over 99 percent of the 1.1 million blacks of metropolitan Chicago live in 16 of the area's 238 municipalities, and the 10-year gain of 280,000 blacks in the area was contained within these same 16 places.

The largest black suburban settlements are in Evanston, Harvey, and Maywood, each with over 10,000 blacks. We have plotted on a map the 1960 and 1970 distribution of Evanston blacks, and the 1970 distribution of Harvey and

Maywood blacks. The maps reveal a pattern of segregation and contiguous expansion very similar to that prevailing in Chicago's ghettos.

Looking at the 237 other suburbs, most of these showed lower black percentages in 1970, and 17, mostly posh, suburbs actually lost blacks as aged domestics died during the decade and were replaced by now more fashionable European and Latin-American servants. Thus the six North Shore communities represented on your Conference lost 300 blacks in the decade. (Table 2)

As a group, the 1,350 black residents of these six North Shore communities have the lowest income, the most menial occupations, and the most lopsided age and sex ratios in the metropolitan area. Their average income in 1970 was \$3,500; two-thirds of the workers held domestic service jobs; adults outnumbered children and women outnumbered men by identical ratios of 4 to 1.

There are also contradictory explanations of the causes and consequences of racial segregation. The conventional opinion is that economic discrimination, rather than racial prejudice, is the root cause of residential segregation. This view is perhaps best expressed by Edward C. Banfield in *The Unheavenly City*.

What if there were no discrimination?

One way to estimate the importance of racial prejudice is to ask, says Banfield, how matters would change if overnight housing and job discrimination on color grounds were to disappear. In his view, the great majority of blacks would "go on living in the same neighborhoods for the simple reason that they could not afford to move to better ones," they would continue working at the same jobs, and sending their children to the same schools.

Moreover, says Banfield, some Negroes would be hurt by the end of racial discrimination: "Most Negro professionals and politicians have an advantage in not having to compete with whites, and some who do compete with whites receive a premium for being black." "By putting them into competition with (whites), the end of racial discrimination would, in the short run at least, hurt perhaps as many (blacks) as it would help."

Banfield concludes that if a Negro lives in an all-black neighborhood, the reason is not racial prejudice as such, but his "low income, cultural characteristics that make him an undesirable neighbor, and his inclination to live among his own kind." Income, class, education, and place of origin, rather than racial prejudice, are the root causes of racial segregation according to Banfield.

These views of the causation of racial segregation are shared by the Real Estate Research Corporation (R.E.R.C.), the City of Chicago's major consultant on urban affairs.

In the most comprehensive report ever made for the city on demographic trends, entitled "Economic Analysis of Housing and Commercial Property Markets in the City of Chicago, 1960-1975," R.E.R.C. writes as follows:

"Massive" neighborhood population transition is the only practical way to accommodate rapid growth of large low income and lower middle income groups in the population. All other conceivable methods of providing housing for these fast-growing groups are simply not feasible. Members of these groups cannot move into new housing in the city or the suburbs because they cannot afford it. Random scattering of individual families in many neighborhoods, true, would eliminate "massive" neighborhood transition. However, it is impractical for the following reasons:

(1) Members wish to live together with other people like themselves; hence they would not voluntarily adopt a randomized residential location pattern.

(2) These families cannot afford housing accommodations in many middle income or higher income neighborhoods.

The only two other alternatives are equally impractical. "Leap-frogging" movements would give rise to neighborhood population transition in various enclaves in our outer portions of the city or the suburbs. Thus the location of transition would be shifted, but transition itself would not be eliminated. Finally, restriction of members of these groups to the areas they now occupy is totally unacceptable because this policy is both illegal and morally unacceptable because it is discriminatory.

Thus economic segregation, voluntary segregation and involuntary segregation based on racial discrimination are the three major explanations for the intense concentration of blacks in Chicago and other American cities. Economic segregation would presuppose that blacks in Chicago are a homogeneous group, e.g., that they are all poor and all depend on rapid transit facilities and that the communities they move into are homogeneous and economically compatible, e.g., that they have low-cost housing and rapid transportation.

The evidence, however, does not support these assertions. Indeed, blacks cover almost as wide a range of socioeconomic status as whites. The only homogeneous communities in Chicago are high income single-family housing areas occupied by whites. Communities occupied by blacks are very heterogeneous and have very little low-cost housing.

In 1970, the overwhelming majority of Negroes (90%) lived in the city, and the substantial majority of whites lived in the suburbs (61%). At the low end of the socioeconomic scale, Chicago remains home for 64 percent of the metropolitan area unemployed, 76 percent of the Spanish-speaking, 85 percent of the welfare recipients, and 90 percent of the blacks. At the other end of the social scale, Chicago contains but 29 percent of all metropolitan area families earning over \$25,000 a year, 29 percent of the college graduates, and 25 percent of the white public school children.

The seven most centralized racial and ethnic groups are non-white and Spanish-speaking. European ethnics make up the least centralized groups.

Though income does influence the tendency to live in Chicago for white families, it makes practically no difference for blacks. Although this income group ought to be able to afford housing in any part of the metropolitan area, 86 percent of black families earning over \$50,000 a year live in Chicago. In contrast, families earning under \$3,000 a year might be considered hard put to locate in the suburbs. Yet 42 percent of white families in this income category live in the suburbs.

Other racial groups exhibit the same tendency to centralize despite higher than average socioeconomic status. Among the races, the Japanese have the highest average family income (\$13,500 versus \$12,600 for whites), the Chinese have the highest priced homes (\$31,400 versus \$25,200 for whites), and the Filipinos are the best educated (16.5 median school years versus 12.4 for whites). Yet 71 percent of Chicago area Japanese, 74 percent of the Chinese, and 80 percent of the Filipinos live in the city of Chicago, compared to 39 percent of Chicago area whites.

Of course, economic segregation helps shut blacks out of the suburbs. Blacks make up 25 percent of the renters and 6 percent of the home owners in metropolitan Chicago. The higher the housing cost, the lower the percent of black occupants. Thus blacks occupy but 5 percent of the apartments renting over \$200 a month and only one percent of the homes valued at \$35,000 or more.

This kind of economic segregation has been fostered in the suburbs by municipal zoning practices and other land development controls to hold down population density and to keep out middle and lower income families whose housing would not yield enough property tax base to pay for

TABLE 1: Black Population in 15 Interracial Suburbs in the Chicago SMSA: 1970 and 1960

	Total Population		Black Population		% Change 1960-70		% Population Black	
	1970	1960	1970	1960	Total Pop.	Black Pop.	1970	1960
COOK								
Chicago Heights	34,331	40,900	7,100	6,529	19.1	8.7	17.4	19.0
Dickmoor	4,735	3,076	3,071	1,855	53.9	65.9	64.9	60.3
E. Chicago Heights	5,000	3,270	4,855	2,724	52.9	73.5	97.1	85.4
Everett	79,808	79,283	12,849	9,126	0.7	45.7	16.1	11.5
Harvey	34,636	29,071	10,711	1,986	19.1	437.7	30.9	6.8
Markham	15,987	11,704	7,981	2,505	36.6	219.2	49.9	21.4
Maywood	30,036	27,330	12,416	5,229	6.5	137.1	41.3	19.1
Phoenix	3,595	4,203	3,151	2,744	14.4	15.0	87.6	65.3
Robbins	9,641	7,511	9,436	7,410	28.4	27.4	97.9	90.7
KANE								
Aurora	74,182	63,715	4,867	2,227	16.4	118.5	6.6	3.4
Elgin	55,691	49,447	2,671	1,595	12.6	67.4	4.8	3.2
LAKE								
North Chicago	47,275	22,938	7,836	4,577	106.1	71.2	16.6	22.4
Waukegan	65,269	55,719	8,421	4,485	17.1	87.7	12.9	7.9
Zion	17,268	11,941	2,345	564	44.6	315.8	13.6	4.8
WILL								
Joliet	80,378	66,780	9,507	4,638	18.2	105.0	11.8	6.9
Total:	557,833	476,888	107,217	58,264	17.0	84.1	19.2	12.2

TABLE 2: Black Population in Six North Shore Communities: 1970 and 1960

	Total Population		Black Population		% Change 1960-70		% Population Black	
	1970	1960	1970	1960	Total Pop.	Black Pop.	1970	1960
Glencoe	10,675	10,472	539	655	0.7	-17.9	5.1	6.3
Highland Park	32,263	25,532	574	504	26.4	13.9	1.8	2.0
Kenilworth	2,980	2,959	27	39	0.7	-30.8	0.9	1.3
Northfield	5,010	4,005	14	28	25.1	-50.0	0.3	0.6
Winnetka	32,134	28,268	81	156	13.7	-48.1	0.3	0.5
Winnetka	13,998	13,368	117	252	5.7	-53.6	0.8	1.9
6 Suburbs	97,060	84,304	1,352	1,631	15.1	-17.1	1.4	1.9

local services. Economic segregation has also been fostered by subdivision builders who produce large housing developments in the same price range because of the house buyer's preference for homogeneous class neighborhoods.

The latest open housing or so-called fair-share plan for the Chicago metropolitan area announced October 1, 1973 is to be commended for its intentions, but faulted for its very limited goals and cautious language. The plan boldly documents the need for 229,400 additional low and moderate income housing units but meekly settles for 10,000 such units. It bravely calls attention to the dire need for more job-linked housing created by 500,000 new suburban jobs in the last 10 years, but assigns first priority to "the housing needs of people already living in each community, especially the elderly." It is presumed that most of the 10,000 units will be allocated to the 63,000 low income elderly households in the suburbs.

The Fair Share Plan

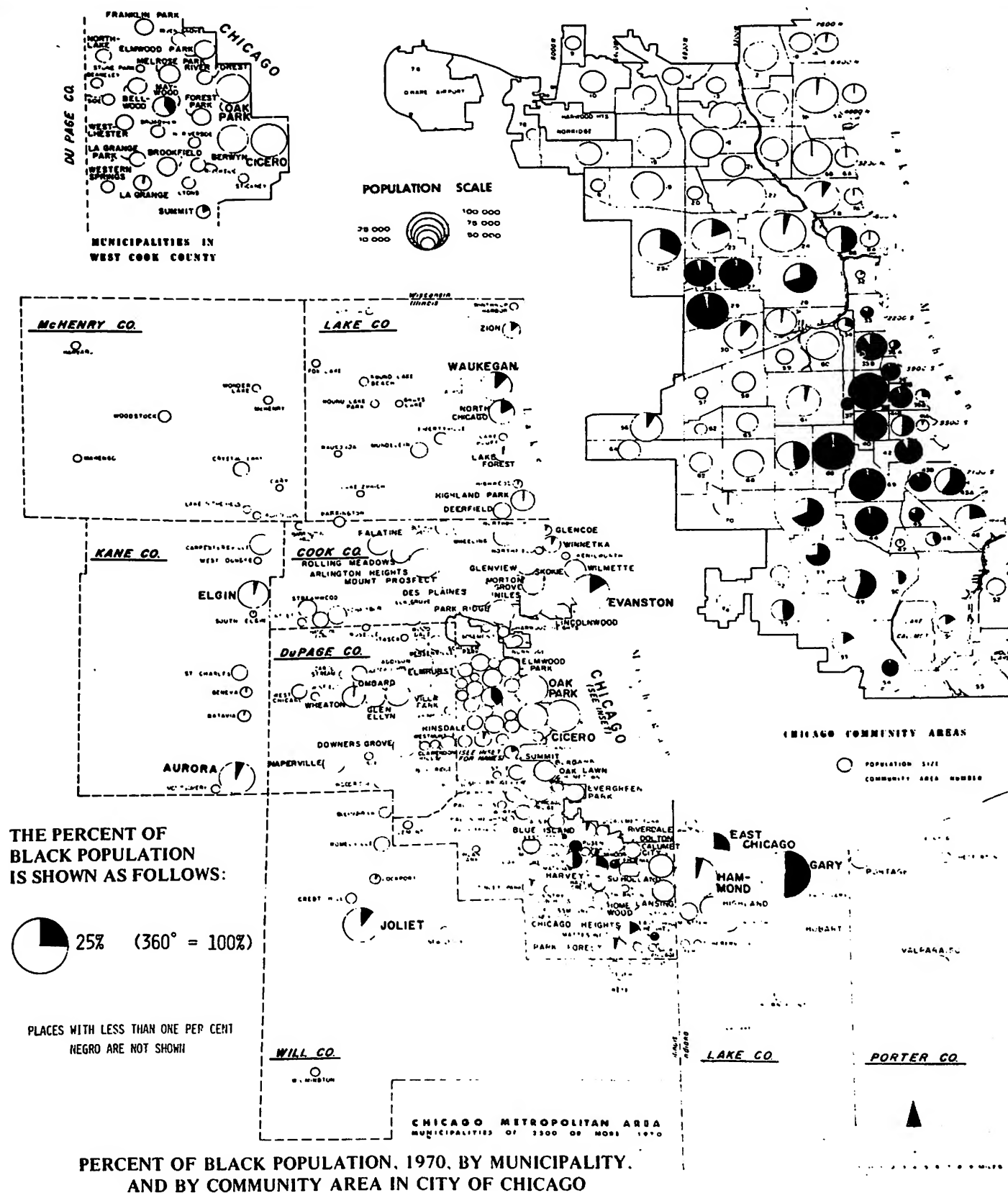
Nevertheless, the Regional Housing Coalition's fair share plan is the most practical and politically feasible strategy so far proposed for metropolitan Chicago.

The very language of the plan, especially the change in language between first and final draft, are instructive about political sensitivities since a steering committee of 13 suburban mayors and village presidents helped mold the final document. "Fair share" was struck out in favor of "Interim" Plan, the "Metropolitan" became the "Regional" Housing Coalition, and "Metropolitan Chicago" became North-eastern Illinois.

Although blacks are the major victims of the shortage of job-linked housing addressed by the Plan, the words "blacks" and "Negroes" do not appear anywhere in the 34-page document. The housing needs of Chicago's million blacks are expressed in oblique phrases like — "a great need for more and better housing exists for people who now live within the City of Chicago and will continue to live there." People who live and work in Chicago are not listed among the groups in need of the new suburban housing, even though it could easily be demonstrated that tens of thousands of Chicago blacks are shut out of suburban jobs by being shut out of suburban housing.

Table 4: Black Population in Chicago and the Suburban Ring: 1970 and 1960

	Total Population		Black Population		% Change 1960-70		% Population Black	
	1970	1960	1970	1960	Total Pop.	Black Pop.	1970	1960
Chicago	3,369,359	3,550,404	1,102,620	812,637	-5.2	35.7	32.7	22.9
Suburban Ring	3,608,379	2,670,509	128,299	77,517	35.1	65.5	3.6	2.9
15 Suburbs	557,833	476,888	107,217	58,264	17.0	84.1	19.2	12.2
Balance	3,050,546	2,193,621	21,082	19,253	39.1	9.5	0.7	0.9
Total SMSA	6,977,933	6,220,913	1,230,919	890,154	12.2	38.3	17.6	14.3



It may be fairly assumed from these changes and omissions in language that suburban politicians regard words like "fair share," "metropolitan," "Chicago," "blacks," and "Negroes" as undesirable, at least from the point of view of the suburban municipal councils and their electorates. Yet, even with the mincing of inflammatory words like "fair" and "Chicago," with the emphasis on housing needs of local elderly residents, and with the modest goal of 10,000 housing units spread throughout the metropolitan area — strike that — the six-county region, this plan will have a tough time gaining the endorsement of municipal councils. Most councils may not even put the plan to a vote, and others may take the easy way out by submitting it to a referendum, and almost certain defeat, so strong is the suburban instinct to protect the socioeconomic status quo and the suburban opposition to economic integration.

The Mood in Glencoe

We need look no further than Glencoe — a community with a liberal reputation in the heart of your North Shore Conference — to gauge the intensity of suburban opposition to economic integration. In July 1973, Glencoe's village government, faced with a request for a zoning change to permit the construction of 170 moderate income units to house the local elderly, surveyed the electorate through a mail questionnaire asking for views on a number of zoning changes designed to increase housing density. Of the 2,483 who answered, 87 percent were against expanding areas presently zoned for multiple housing, and 94 percent were opposed to increasing existing housing densities. Indeed, 60 percent were in favor of reducing present densities. On the specific issue of raising the present 2-story height limit to permit the proposed elderly housing project, 91 percent were opposed to five stories, 76 percent were opposed to four stories, and 70 percent were opposed to any change. Even to the question of facilitating subsidized rental housing within the present zoning laws, an overwhelming majority of 81 percent voted no. However, on the positive side, 3 percent of the respondents said they would be in favor of facilitating such housing within the present zoning laws if no more than a grand total of 75 units were involved.

Thus, not only is economic segregation a secondary factor in the exclusion of blacks from the suburbs, but white suburbs are also dead set on opposing any attempts to break down zoning restrictions and other legal protections against the incursion of lower income people, whether they be oldsters or young parents and their school children, whether they be black or white.

Is There "Voluntary Segregation?"

So much for economic segregation as a factor in explaining the intensive residential concentration of blacks. What about voluntary segregation? Can the natural inclination of members of a racial or ethnic group to live among their own kind explain the packing of blacks in Chicago's inner city ghettos? Voluntary segregation would presuppose that the desire of blacks to live together is so strong that it overcomes economic and all other factors that argue against a ghetto concentration unknown to and unwanted by any other ethnic group. As a practical example, it would mean that blacks believe so fiercely in black separatism that they voluntarily put up with slum housing, bad schools, fleeing industry, high crime rates, and all the other features of black ghettos.

The relegation of a million of our citizens to black "reservations" in Chicago results in the rapid exodus of teachers, doctors, stores, and industries from these communities. A few years after a community has become all black, all residents that can possibly do so move out. Hard core vacancies settle down in what were previously sound hotels,

stores, hospitals, and industrial plants. The vacant structures and the political vacuum resulting from this exodus are rapidly filled by street gangs and street gang law. Most of the other dwellings and structures become occupied by tenants who must over use or misuse the space because of insufficient income. Sheer physical survival becomes the major priority for residents in the worst of the new slums — staying alive, unbeaten, unrobbed, unsick. Living conditions offered by public assistance programs and institutions — public housing, Cook County Hospital, and Cook County Jail — have to be made unbearable to prevent thousands of people from deliberately losing their jobs, becoming sick, or getting jailed to escape their living hells and gain the relative safety and comfort of public institutions.

Rapes and murders are so infrequent in white communities that these events make the headlines. These are daily and weekly routines in the black community.

In even the best ghettos — where the city's leading blacks in politics, business, sports, and entertainment must live — survival is a problem. Gang intimidation of school children is an ever-present danger. Only the incidence of crime is somewhat less in these more fortunate communities. Murders are monthly rather than weekly occurrences.

Forcing people to live in communities they cannot afford, to overcrowd the housing and the schools, and to misuse the commercial facilities is a major factor in the breakdown of community life and the take-over by street gangs. The collapse of public and voluntary services and institutions in racially changing communities is another factor. All the footloose professional and industrial people make their escape soon after a community starts becoming black. The teachers and the doctors are in the vanguard of white professionals fleeing the community after it receives its first blacks. Institutions that must stay like police and the schools simply maintain a presence but become ineffective or oppressive. The police are regarded as a military occupation force that is at once too repressive and too permissive, and the schools are considered as jails, although perhaps more dangerous and stupefying. Education and socializing are the functions of public schools in a white community. Commitment to a public school in a black community condemns the inmate to a yearly loss of one point in his I.Q. and a lifetime membership in a street gang.

Yet, Chicago's incredibly concentrated black ghettoization is defended by many people including city officials and their consultants on housing policy as the "only practical way to accommodate rapid growth of large-low income and lower middle income groups in the population" on counts of both economic and voluntary segregation.

Blacks Do Not Like Ghettos

The proposition that blacks live in segregated areas because of inability to afford better housing is an insult to the intelligence and an affront to the sense of justice of blacks who are forced to pay as much as or more than whites for housing that is generally unsuited to their needs. Blacks are shut out of communities with many better housing and job opportunities and relegated to communities that whites are willing to give up, at least until the bulldozer comes around.

The proposition that blacks prefer to live in crime-ridden ghettos and slum school districts flies in the face of attitude survey after survey showing that blacks prefer to live in integrated communities and are more concerned than whites about street crime and quality of schools. Voluntary segregation is also given the lie by the continuing exodus of blacks from the hard core ghetto to adjoining middle-class communities being vacated by whites.

On strict economic grounds, hundreds of thousands of blacks could move closer to the more plentiful jobs and

better schools in the suburbs. They are prevented from doing so by the knowledge that they are unwelcome in the suburbs.

Strategies that aim at opening up the suburbs to black residents must confront the reality that it is racial prejudice that is the main obstacle. Also any open housing plan that goes by the name of "fair share" must establish more realistically the suburban housing needs of blacks. To understand these needs one must first separate racial from economic segregation in the exclusion of blacks from suburban housing.

Measuring Racial and Economic Segregation

In 1970, 345,000 (15%) of the six-counties 2,183,600 households were black. Four-fifths of the black households were renters and one-fifth owned their own homes. One-fourth of the area's rental units and 6 percent of the owned housing were occupied by blacks. In the examples cited earlier of Arlington Heights and DuPage County, we noted that those proportions vary widely by cost of housing. In Table 3, we see that about a third of the medium priced apartments (from \$60 to \$150) are rented by blacks. But they rent only 5 percent of the housing above \$200 in rent. Blacks own about 11 percent of the housing priced below \$20,000, but only 5 percent of units from \$20,000 to \$35,000 and one percent of the homes priced above \$35,000.

Our method of determining how blacks would be redistributed throughout the metropolitan area in a color-blind housing market is to apply the proportions of black occupancy shown in Table 3 to the housing stock of each municipality and Chicago community area stratified by the same rent and price ranges.

This theoretical exercise should result in shifting about two-thirds of the actual black population from a dozen suburbs and 32 Chicago community areas whose actual percentage black is above the calculated proportions to the other 190 suburbs and 44 community areas. Two maps contrast their actual and potential black population. Presently the 277 communities are either all white or predominantly black, whereas in

a color-blind housing market no community would have less than one percent nor more than one-fourth black population.

Following are the ten suburbs whose housing keeps most blacks out on strictly economic grounds.

	% black potential		% black potential
1. Olympia Fields	1.3	6. Barrington Hills	2.5
2. Lincolnshire	1.6	7. Northbrook	2.8
3. Kenilworth	2.1	8. Glencoe	2.8
4. Lincolnwood	2.2	9. Oak Brook	2.9
5. Flossmoor	2.3	10. Northfield	3.1

Six of the ten most exclusive suburbs are on the North Shore, while eight of the ten suburbs potentially most accessible to blacks are south and southeast.

About 66 percent of blacks would be redistributed in a society free of discrimination. If we were to forget about standardizing housing expenditure and simply redistribute black population so that each of the 277 communities would have identical shares of 16 percent blacks, 90 percent of the area's blacks would have to be shifted. These two figures — the 90 percent and the 66 percent — are measures of racial versus economic segregation. In the range between 0 and 100 — no segregation and total segregation — segregation in Chicago area communities is at the 90th percentile. In these 90 percent points, racial discrimination accounts for 66 and economic segregation contributes 24. Thus about three-fourths of racial segregation is due to racial prejudice and one-fourth to income.

Only 230 Years

Even if the Regional Housing Coalition's Fair Share Plan were to be approved by the suburbs, developers found and the FHA 235 and 236 programs reinstated, blacks might receive one-tenth or 1,000 of the 10,000 housing units planned for 1974. If this one-year plan were to become ongoing, and 1,000 units were to be built yearly, it would take about 230 years to make up the deficit of 230,000 black housing units revealed by the color-blind housing market redistribution.

Open housing strategies directed at increasing the supply of suburban housing for blacks by way of federally subsidized programs like Titles 235 and 236 not only tend to exaggerate the factor of economic segregation but also tend to look at new construction as a better source of minority housing than existing housing. Yet in any year there are 3 to 10 existing houses and apartments available for occupancy for every single housing unit of new construction. Thus in 1970 there was a turnover of 387,000 housing units of which 350,000 were existing units and merely 37,000 newly constructed units.

Instead of relying on new construction of federally subsidized housing, the planners should rely on the yearly turnover of 350,000 units in the existing housing market. Instead of trying to break the firm resistance of suburbs to economic integration, blacks should be permitted to enjoy the freedom of whites to locate in exclusive communities. If economically homogeneous and exclusive communities are indispensable for white suburbanites, they should be indispensable for blacks, too. ■■

TABLE 3. Cost of Housing For Black Households in the Chicago SMSA: 1970

	All Households	Black Households	% Black
Gross Rent			
less than \$40	4,194	689	16.4
40 - 59	28,693	7,416	25.8
60 - 79	74,483	23,101	31.0
80 - 99	134,697	39,502	29.3
100 - 149	426,862	131,487	30.8
150 - 199	224,292	42,414	18.9
200 or more	100,076	4,976	5.0
Median total	\$130 1,019,485	\$122 251,714	24.7
Home Value			
less than \$5,000	2,864	416	14.5
\$5,000-10,000	21,634	2,340	10.8
\$10,000-15,000	77,358	8,666	11.2
\$15,000-20,000	183,271	20,430	11.1
\$20,000-35,000	449,365	20,808	4.6
\$35,000 or more	185,663	1,702	0.9
median total	\$24,300 920,155	\$19,000 54,362	5.9

Pierre de Vise, a frequent contributor to FOCUS/Midwest, is project director of the Chicago Regional Hospital Study.

St. Louis responds to Rand Report: "Booh"

Statistics compiled by the Federal Reserve Bank of St. Louis showed that 1973 employment in the St. Louis area remained stagnant, while the national total rose 3.7 percent. During the years 1969-1973, employment actually declined year by year.

Many other economic indices point to a constant if not all-pervasive decline. William H. Kester, financial editor of the *St. Louis Post-Dispatch*, cites the decline in the real volume of retail sales, the physical volume of retail stores, and the lagging rate of bank loans and deposits which were far below the national average.

Although unemployment in East St. Louis dropped from 8.1 percent in 1971 to 7.6 percent in 1972 and 6.5 percent in 1973, the corresponding rate for Chicago shows how hard the economic decline has hit the area. Unemployment in Chicago has declined from 4.3 percent in 1971 to 4.5 percent in 1972 and to 3.6 percent in 1973.

In view of this and other evidence, which must be well known to St. Louis business and political leaders, it was amazing to hear the indignant outcries when the Rand Corporation published a comprehensive report, "St. Louis: A City and Its Suburbs."

Fortunately for St. Louis, the study was financed by the National Science Foundation and thus was made available to the public. In this issue we reprint the report in full, including some cumbersome statistics. FOCUS/Midwest believes, however, that it is better to have all of the data available before judging the study, than to condemn it without even having read it, as a St. Louis Alderman did.

We wonder what would have happened to the report if a St. Louis concern had financed the report. Most likely its fate would have been similar to that of the well-buried United Fund study, ordered and paid for by the United Fund, which most members of the United Fund board have never seen.

The unthinking response that "the report is misleading and almost worthless" (*St. Louis Globe-Democrat*, Oct. 27-28, 1947, p. 2E) typifies the business attitude which is partly responsible for the decline in the first place. It shows the lack of courage to face the real state of the economy. It shows the conservatism of the business community particularly the banking industry. It shows the unwillingness to explore new avenues of growth and, by implication, it condemns the city to be dependent upon revenues from federal, state, and regional sources.

St. Louis businessmen, who control the day to day life of the city, unerringly assume that control also implies knowledge. The *New York Times* quotes Ethan A. Shepley Jr., president of Downtown St. Louis, most aptly, "It's made me so mad, it's made so many people damn mad, that it's probably been a beneficial thing." Such a response doesn't sound too astute when applied to a year-long study by a world-renowned research organization. Even the St. Louis Board of Aldermen had to show their ostrich-like attitude by passing a resolution thanking the Rand Corporation for "studying the city of St. Louis and fashioning its obituary."

St. Louis County politicians were less defensive. Indeed, many candidly admitted the validity of the study. This unusual display of candor may have been occasioned by the delusion that the future of the county is distinct from that of the city because jurisdictionally and politically they are separate — besides they will not have to run for office in the city.

Lawrence K. Roos, supervisor of St. Louis County and chairman of the East-West Gateway Coordinating Council, made these comments in his "State of the Region" message:

"... total employment has been declining at a distressing rate for several years. ... while the Nation's metropolitan areas increased their population at an average rate of 17 percent, the population of the Greater St. Louis area increased only 12 percent. ... capital investment in new plant and equipment occurred here at less than half the national rate. ... [the] public transportation system is at best marginally adequate. ... we have air and water pollution and waste disposal problems on a grand scale."

Whether St. Louis will become merely another suburb among the nearly 100 municipalities in the surrounding St. Louis County and continue to be among the most troubled cities in America, is a question which may go beyond the availability of resources, and construction of airports and highways. It may depend upon the joining of wills by the diverse interests not only by those leading the city but also by those who are being led.

We have heard denunciations from spokesmen of the business community, at least for a week or two when the "Rand" report was a hot subject. We have heard qualified endorsements from spokesmen in the academic community. And then there was silence. ■■



ST. LOUIS: A CITY AND ITS SUBURBS

BARBARA R. WILLIAMS

This report was sponsored by the National Science Foundation. Reports of The Rand Corporation do not necessarily reflect the opinions or policies of the sponsors of Rand research. It is reprinted with the permission of the Rand Corporation. The report is reprinted in full except for two mathematical models. We regret that some of the tables had to be considerably reduced in order to include them.

PREFACE

This report summarizes the results and implications of a year of analytical work concerning the decline of St. Louis as the central city of a metropolitan area, the implications for the city's future, and policy strategies for improving these future prospects. Although the work is primarily that of The Rand Corporation, vital assistance was provided by faculty members at three major universities in the St. Louis area: Washington University, St. Louis University, and the University of Missouri, St. Louis. The work was supported by the National Science Foundation. The project was one of a series of three urban studies that also includes an analysis of causes, effects, and control of two decades of explosive growth in San Jose, and adaptation to acute aerospace recession in Seattle.

This report is oriented primarily toward the policy implications of the St. Louis analysis, and is intended for use by policymakers concerned with the future of the area.

SUMMARY

This report summarizes the research findings and policy implications of a series of studies conducted under the St. Louis project of the Rand Urban Policy Analysis Program. The analysis in St. Louis has been directed toward evaluating alternatives for decisionmakers at local, state, and federal levels who must deal with urban decline.

The central concern in St. Louis is the city's significant decline in population and economic activity that occurred in the 1960s, and the rapid rate of building and neighborhood abandonment that accompanied it. Because abandonment itself might open possibilities for new development, the report asks what those possibilities are; how probable their achievement is, and how policymakers might encourage the realization of desired changes. Three possible futures for the city are posed: continued decline; stabilization in a new role as an increasingly black suburb; and return to a former role as the center of economic activity in the metropolitan area. As things stand, the most likely prognosis is for continued decline. Given outside revenue sources, however, the city of St. Louis might assume a new role as a large suburb among many other suburbs, making the transition easier for its population and institutions.

ORIGINS OF ST. LOUIS'S PRESENT SITUATION

- *Decline in St. Louis is mainly a function of the same trends that have stimulated movement from central cities to suburbs across the United States.* The fast-paced decentralization of all American urban areas since World War II has been stimulated mainly by the desire for living amenities and productive facilities that could be provided most easily and cheaply at the periphery of cities. Rising incomes and improved transportation systems have facilitated the move to the suburbs. Certain federal policies—real estate tax incentives, interstate highway development, FHA and VA mortgage programs—have accelerated these trends.

- *However, St. Louis differs from some central cities in manifesting rapid and absolute declines in central city population and business activity.* That is, rapid metropolitan growth has brought explosive suburban development to some American urban areas—mostly in the West and parts of the South—without inducing high rates of abandonment in their central cities.

- *St. Louis's unusual rate of decline has come about because many phenomena that appear to accelerate central city decline in older metropolitan areas combine in unusual strength there.* Many central cities of the East and Midwest contain a large stock of housing and industrial capital that is old and expensive to maintain and restore, further increasing the advantages of suburban location. This is particularly evident in St. Louis, a large portion of which was urbanized before 1900.

The large amounts of flat farmland around St. Louis also made decentralization easier. Such land was readily developed for industrial and residential uses.

St. Louis is a small city of 61 square miles. Its political boundaries, frozen since 1876, have prevented the city from expanding its resource base as its proportion of disadvantaged residents increased.

Large in-migrations of groups that vary from the existing population—such as rural, low-income families—appear to hasten the departure of more affluent families to the suburbs. St. Louis has been an important port of entry into urban life for rural migrants. The fact that many of these migrants are black seems to have precipitated the rapid departure of whites from particular neighborhoods; however, our research suggests that departures of people from the city are more class-related than race-related. At most income levels, blacks and whites left at about the same rate during the 1960s.

PROGNOSES FOR ST. LOUIS

The report argues that without major policy changes beyond the local level, the city will most likely continue to decline. It is unlikely either to become a stable, increasingly black suburb or to return to its former central economic function. Several demographic and economic trends induce this conclusion:

- Heavy and prolonged out-migration of the city's younger white residents has left behind an elderly population in which death rates exceed birth rates. Growth of the white population therefore depends on massive in-migration—an improbable development.

- While the city's black population continues to grow through natural increase, it began to decline in 1969, indicating a net migratory loss severe enough to offset its natural increase.

- The city and its suburbs received unequal shares of metropolitan economic growth during the 1960s, with most industrial sectors declining in the city and all industrial sectors growing in the suburbs. If industrial location trends during the last half of the 1960s continue for another five years, St. Louis County* will contain that share of metropolitan business activity usually characteristic of a central city.

Neither a survey of industrial developers in the area, a 1967 survey of people's expressed preferences for residential location in the area, nor more episodic evidence about industrial and residential location since 1970 supported the hypothesis that past decline has created new conditions in the city that will mitigate or even reverse past trends.

The city has not "bottomed out" so that large blocks of inexpensive empty land will readily stimulate new forms of investment. Rather, land remains relatively expensive to develop in the city. Nor have reduced numbers of people and businesses made public goods and services unequivocally easier to provide. Indeed, metropolitan decentralization has reduced the city's share of more affluent residents and increased its share of disadvantaged ones. Economic growth, as well, has gravitated to the suburbs. Thus, public revenues have become progressively more difficult to generate locally. *New resources, available to the city from sources outside the city, are essential to any improvement.*

ALTERNATIVE STRATEGIES FOR THE FUTURE

Just as local policies did not *cause* the decline, local policies cannot readily change the trends and characteristics that did cause it and are still operative. *The analysis suggests that, among the alternatives open to the city, promoting a new role for St. Louis as one of many large suburban centers of economic and residential life holds more promise than reviving the traditional central city functions.*

One strategy for assuming a more suburban role is to entertain administrative or jurisdictional changes that would allow municipal services and regulations to be geared to varying neighborhood needs. In this way, the city's large, heterogeneous population might capture some of the benefits of small homogeneous (and affluent) suburban municipalities where residents can purchase and control the public goods and services they want.

To succeed, however, this strategy will require new outside resources—new mechanisms for generating revenues that make the poor a smaller financial burden for the jurisdictions where they live. Several mechanisms for doing this are offered for consideration:

*The City of St. Louis is entirely separate in area and jurisdiction from the County of St. Louis.

- A more substantial federal revenue-sharing program.
- A state revenue-sharing program to support selected public goods.
- A metropolitan revenue program, sharing revenue generated by industry in the metropolitan area.
- A metropolitan earnings tax.

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I. INTRODUCTION

The St. Louis Standard Metropolitan Statistical Area¹ encompasses the City of St. Louis and six counties lying on both sides of the Mississippi River: St. Louis, St. Charles, Franklin, and Jefferson Counties in Missouri, and St. Clair and Madison Counties in Illinois.² Most of the SMSA lies in Missouri, three-fifths of it west of the City of St. Louis; the Mississippi forms the eastern boundary of its central city. The City of St. Louis is entirely separate in area and jurisdiction from the County of St. Louis. The area surrounding metropolitan St. Louis is semirural, dotted with medium-sized towns. The closest metropolitan area of comparable size is Kansas City, about 275 miles away.

In 1970, the population of the St. Louis SMSA was about two and a half million. From 1960 to 1970 it had increased by only 12 percent, a rate lower than the average national metropolitan increase of 17 percent. Economic growth in the area has also been slow. As shown in Table 1, in the late 1960s the St. Louis area lagged behind the rest of the nation in growth of total income, per capita income, and employment.

The City and County of St. Louis together contain about three-quarters of the SMSA's population—622,000 in the city and 951,000 in the county.³ A strong and persistent westward progression in the area's settlement pattern has steadily drained St. Louis's share of area population and economic activity. From 1960 to 1970, the city's population declined 17 percent while the suburban population increased by nearly a third; jobs declined close to 15 percent in the city but nearly doubled in the suburbs.

Stark reminders of the city's demographic and economic losses are 2200 vacant and vandalized buildings, occupying an average of one-tenth of an acre each. Understandably, St. Louis believes it is plagued by that set of problems widely lumped together as "the urban crisis": a declining tax base, rising costs for providing services, a high crime rate, a problematic school system, high unemployment, racial inequities, and a spectacular rate of building and neighborhood abandonment.

Our analysis does not attempt to diagnose completely this formulation of the urban crisis. We give slight attention to problems that occur with great frequency not only in cities, but in other places as well: crime, poor schooling, unemployment, racial inequities. Instead, we concentrate on events more peculiar to the *structural* changes cities are undergoing, exploring the implications for a central city of the redistribution of population and economic activity in its metropolitan area. For this purpose, we chose building and neighborhood abandonment in St. Louis as the initial focus of our study.

Abandonment is both a symptom and a cause of problems, but by making land available for new uses, it also offers possibilities of new directions for the future. Our objectives were to determine what those possibilities are, how probable their achievement is, and how policymakers might encourage the realization of desired changes. For purposes of analysis, we pose three alternative futures for St. Louis: continued decline; stabilization in a new role as an increasingly black suburb; and return to a former role as the center of economic activity in the metropolitan area.⁴ Which of these futures is the likeliest, and how policymakers might affect future directions, are analyzed by examining past change and current growth potential in St. Louis as a guide to the future.

The analysis has required methods and concepts from more than one discipline. We have tried here—as in other Rand urban studies—to assemble a broad spectrum of evidence bearing on the reasons for St. Louis's current condition and prognoses for its future from a number of disciplines, including demography, economics, sociology, and political science. To interpret this evidence, we have used statistical techniques and explored various lines of argument to form a coherent picture of where the weight of the analysis and prognosis lies.

The picture, in brief, suggests that decline in St. Louis is mainly a function of the same trends that have stimulated movement from central cities to suburbs across the United States. The rate of decline is more acute in St. Louis because several factors that accelerate decline combine in unusual strength there. The problems of decline, however, do not lie in the fact that population and business have redistributed themselves within the metropolitan area, with the city losing and its suburbs gaining. Rather, the problem for the city is that it wants to remain attractive to its current residents, to its metropolitan population, and to visitors—offering well-maintained public goods and high levels of public services geared to a variety

Table 1

COMPARISON OF NATIONAL AND ST. LOUIS
SMSA ECONOMIC GROWTH, 1966-1970

Item	Average Annual Growth, 1966-1970 (%)	
	U.S.	St. Louis SMSA
Total employment	1.9	1.0
Total income	2.8	2.2
Per capita disposable income	3.2	1.4

SOURCE: Data provided by Regional Economics Information System, Bureau of Economic Analysis, Office of Business Economics, U.S. Department of Commerce; and from *Economic Reports of the President*, 1971.

of tastes. Its resources to do this, however, are more and more diminished because its more affluent citizens have moved to the suburbs in massive numbers, and economic growth has gravitated with them.

These two issues—metropolitan population and economic redistribution, and city redevelopment—are separable. However, our question is whether the redistribution has created new conditions in the city (e.g., more available land) that will attract new investment essential to central city redevelopment. Our analysis leads us to believe this is unlikely: relative to its own conditions in the past, St. Louis is better off in certain ways; relative to its suburbs in the present, St. Louis remains less attractive to new investment in important ways. We suggest that instead of focusing on the city as a geographic entity needing restoration, local policymakers focus on St. Louis's assuming a somewhat different role, functioning more like a suburb or a set of suburbs within the metropolitan area. However, as with all other policy directions we considered, this too requires additional revenues not now available to the city.

Section II of this report describes our research methodology. Section III—the keystone of the report—then applies the methodology: St. Louis is examined successively in terms of demographic trends, both within the parts of the metropolitan area and between it and other areas; in similar economic terms, examining both the economy of the area and the division of the economy between the central city and its suburbs; in regard to racial hypotheses about urban change, such as "white flight"; and finally, in terms of the additional impetus to decline imparted by federal and local policies.

The final section of the report turns to policy strategies for the future. These strategies do not take the form of specific policy recommendations for St. Louis. Rather, they form more of an agenda for policymakers. Time and budget constraints required us to be selective in the analysis of the complex syndrome of urban decline; important parts of the research we think necessary to decisionmaking in St. Louis either remain to be done or are still in process at local universities in the area. Our analysis has been directed toward examining alternatives for decisionmakers at local, state, and federal levels who must deal with urban decline.

II. METHODOLOGY

CONCEPTUAL DESIGN

Initial View: Abandonment as a Problem

Rand's decision to focus on rapid neighborhood change and abandonment in St. Louis was based on two considerations. First, city officials and other knowledgeable citizens considered abandonment to be the city's most serious problem. Second, abandonment as a prime symptom of central city decline was an appropriate conceptual counterpoint to the phenomenon of rapid growth central to our research in the San Jose metropolitan area.

In the St. Louis research, abandonment is considered to have occurred wherever there are empty, vandalized buildings and empty spaces within older neighborhoods. For our purposes, empty buildings and land are seen as part of the city's spatial "inventory"—in the usual sense of inventory as goods held in the anticipation of changing demand. Empty land is most appropriately called inventory, since it provides space for the expansion of existing land uses or the introduction of new land uses. However, empty buildings—vandalized, awaiting demolition—can be thought of as "hung-up" inventory.

Our definition of the end result of abandonment as *inventory* for St. Louis was influenced by two major considerations:

1. The process of abandonment was not new to St. Louis. In 1936, the St. Louis City Plan Commission published a study of shifts in land use that said:

To state the condition in its simplest terms—if adequate measures are not taken, the city is faced with gradual economic and social collapse. The older central areas of the city are being abandoned, and this insidious trend will continue until the entire city is engulfed.¹

Before the recommendations of that Commission report could be fully implement-

ed, exogenous demand induced by World War II rapidly accelerated job opportunities at the same time that new housing construction was narrowly restricted. By 1950 these conditions swelled the city's population to 857,000, close to its peak of the century a few years later. With the end of the war, new housing construction grew vigorously—but in St. Louis County, not in the city—and existing densities in the city placed the county at a greater competitive advantage.

During the 1960s, abandonment in St. Louis was widespread enough to warrant three studies funded by the U.S. Department of Housing and Urban Development,³ a study by the Urban League,³ and a survey sponsored by the City Plan Commission on the problem of residential blight.⁴ It also stimulated a variety of research interests and projects at local universities on problems of neighborhood transition. We have relied on this past and continuing research to provide richness of detail in the microanalysis of neighborhood change, and deployed our resources toward analyzing the possibilities of alternative land use for the future—viewing abandonment as inventory.

2. Although abandonment figured as a major problem in most of our early discussions with local officials and citizens, many people understood that abandonment could also be viewed as an opportunity. We therefore reexamined a basic question: For *whom* is abandonment a problem? Since the voluntary relocation of households or businesses from one area to another ordinarily suggests improvement, abandonment may be viewed as an indicator of rising incomes, better housing, and land use opportunities for some people and businesses.

For people left behind, however, some problems worsen. Public services decline—at the very least, in effectiveness—as the private incentives to housing and neighborhood maintenance diminish. And large blighted areas not only uglify a city but can intensify old problems and generate new ones, such as increased vulnerability to fire.

While the problems of declining areas often dominate local concern, many St. Louis decisionmakers had begun to view abandonment as a possibility for improvements. As evidence, several significant municipal codes were changed in the 1960s: until the early 1960s, owner-protective code requirements caused demolition of a building to lag behind notification of condemnation by six months to a year; by 1970, code revisions had reduced that time to one week.⁵ Since October 1970, the city has been engaged in a massive program, financed primarily by the federal government, to remove condemned buildings.⁶

Restructuring: The Future of the Central City

Given the growing view of abandonment as opportunity, it seemed that policymakers in St. Louis might benefit from research oriented toward future expectations, asking *how the city might manage the inventory it is accumulating*. How a city manages its inventory largely depends, of course, on what it can anticipate about future change. Thus, Rand's research in St. Louis has been structured to answer the following questions:

- *Without major policy changes, which of the following possibilities will most likely occur in the St. Louis metropolitan area over the next ten to twenty years?*

Continuation of past trends. The rates at which people and jobs depart from the city accelerate, and their rates of entry remain sluggish. The city's inventory accumulates but competes poorly with surrounding suburban inventory for either business or residential investment. Selective out-migration causes the city's resident population to become smaller and older, with a growing proportion of disadvantaged persons, many of them blacks. Under these conditions, the city would presumably go into bankruptcy⁷ and become something like a ward of the federal government—a jurisdiction incapable of generating locally the revenues with which to manage itself.

Stabilization of current growth potential. As inventory accumulates in the city, it fails to compete with suburban locations for most types of industry. However, the black middle- and lower-income residential population in the city shows growth through natural increase. One of many suburbs, St. Louis retains the usual complement of people-serving industries that prosper as its population increases either in size or affluence.

Reversal of past trends. The city's accumulating inventory exhibits a selective competitive advantage over suburban inventory with respect to industrial develop-

ment for which central location is a dominant consideration. Economic decline gradually "bottoms out" as past decline creates new conditions—available land, decreasing population densities—that attract new growth. The city again becomes an active hub of economic exchange within the metropolitan area.

• *Within the next ten to twenty years, can specified policy changes at the local, state, or federal level alter the likelihood that one or another of the above possibilities will occur?*

In answering these questions, we have drawn on the conceptual tools and analytic methods of economics, sociology, demography, political science, and statistics. Our diverse research efforts, however, shared a common perception of basic urban processes. We assumed that metropolitan areas represent a set of political boundaries (central cities, counties, smaller municipalities, etc.) normally subject to a more or less continuous procession of people and jobs entering and leaving. Any jurisdiction's population grows as it attracts more migrants than it loses and as it experiences more births than deaths. Its economy grows as its firms expand, productivity increases, and jobs show a net increase.

Although population and employment have been suburbanizing for many decades, these changes have been especially pronounced since World War II. During the 1960s, an unprecedented number of the nation's central cities not only ceased to grow but lost population. Fifteen of the 21 central cities with over half a million residents in 1960 ended up losers, and 6 reported losses of 10 percent or more. The degree of decline in St. Louis may be exceptional, but St. Louis is no exception to the rule.

Rising incomes and falling transportation costs, permitting more people to indulge their taste for detached single-family homes with yards, have been the usual explanations for the decentralization of urban population. Changing technology and falling transportation costs have increasingly allowed industrial decentralization as well. Federal policies have accelerated the trends set in motion by these market forces. National mortgage insurance programs and tax laws encouraged widespread home ownership following World War II, and highway construction programs increased homeowners' access to the suburbs.

The effects of these market forces and federal incentives should be much alike in all metropolitan areas, yet they are not. They vary considerably from one area to another, but why? We understand these different outcomes, despite common influences, to stem from the complex interplay of (a) structural differences in local population composition, industrial mix, governmental makeup, age, topography, and region; and (b) exogenous shocks peculiar to certain areas (e.g., particular types of migration streams, awarding of aerospace and defense contracts in particular areas, and location propensities of major export industries).

For the St. Louis research, we assumed that market forces (rising incomes, falling transportation costs,⁸ changing tastes, technological change) have provided the *major* impetus for the observable population and job redistribution from central city to suburb. Further, we have striven to identify the marginal accelerators of urban change more explicitly—the additional forces that have accelerated these national trends operative in the St. Louis metropolitan area.

These factors are particularly important for policymakers to understand, as they promise to be the variables easiest to modify—though perhaps not at the local level. To the extent that the accelerators derive from sources *exogenous* to local jurisdictions, local urban policymakers may have little ability to change them.⁹ This is one of the reasons that the conclusions of Rand's urban research in specific cities will be addressed to national as well as local policymakers.

RESEARCH DESIGN

To assess the likelihood of alternative futures for St. Louis, Rand undertook a series of specific research tasks designed to answer the following questions:

- What conditions and policies have accelerated departures from and retarded entry of *people* into St. Louis?
- What conditions and policies have accelerated departures from and retarded entry of *jobs* into St. Louis?
- What is the city's growth potential, given current trends and composition in population and business?

Selection of Variables

Three sources guided our selection of conditions and policies to explore: the professional literature of the social and policy sciences,¹⁰ findings from Rand's concurrent research in San Jose,¹¹ and extensive interviews and informal discussion with knowledgeable St. Louis citizens and local officials.

In explaining what conditions have been unique in determining St. Louis's decline, most local observers pointed to the city's aging physical stock¹² and the large migratory influx of rural blacks during the late 1940s and 1950s. Local policies judged to have a unique bearing on St. Louis's decline were those related to the city's fixed boundary and the past conservatism of its banking community. We repeatedly heard about the set of local decisions that, in effect, have frozen the city's boundaries to encompass 61 square miles since 1876, exacerbating the subsequent effect of decentralization as more affluent residents moved farther out. City banks, frequently described as "conservative," were alleged to have made risk capital difficult to acquire locally. We subjected each of these conditions and policies to as thorough an empirical test as we could devise with available data sources.

We applied some gross quantitative measures of the incentives that various real estate tax laws offer to certain types of investment in the St. Louis metropolitan area. We also examined how interstate highways have influenced industrial and residential development by changing travel times from one part of the area to another.

We originally considered a detailed analysis of the structure of the metropolitan economy to be an appropriate complement to the detailed demographic analysis we report. However, initial analysis showed no gross differences between the structure of the St. Louis metropolitan economy (or changes in it) and that of the national economy which might be responsible for the high rate of decline in the central city. An analysis that would go beyond the documentation of structural changes in the economy to an explanation of those changes (i.e., tracing decline in some sector to low investment rates does not *explain* that rate of investment) required more resources than we had available.¹³

Data development for the St. Louis project has been shared by Rand staff and professors at three universities in the St. Louis area: Washington University, St. Louis University, and the University of Missouri, St. Louis.¹⁴ Our university colleagues have been responsible for the development and analysis of primary data sources.¹⁵ In addition, concurrent research funded by the Department of Housing and Urban Development¹⁶ has furnished data germane to our research interests. We have also relied heavily on secondary data sources.¹⁷

Projections of Trends and Current Composition

It is a tricky business to project the future of anything so complex as a city. Simple extrapolations of trends are particularly vulnerable to unforeseen shocks such as technological innovations or new federal policies. And today's linear trend may become exponential tomorrow.¹⁸ For example, the normal filtering of housing in a metropolitan area—the orderly passage of successively lower income groups through the housing stock—may turn disorderly and set off large-scale disinvestment if income distributions between successive groups vary sharply.

In various ways, we have sought to strengthen the projections discussed below with types of data that explain, rather than simply describe, the salient trends. For example, in assessing the future trend in migration away from the city, we rely not merely on descriptive census data but also on survey data that reveal people's intentions and expectations about moving. And in considering the crucial role of the automobile in patterns of metropolitan settlement, we have weighed the possible effect of the rising price of gasoline on automobile use. We cannot foretell every exogenous shock to the metropolitan area, however. While we take a systematic approach to those contingencies we can now identify (e.g., the rising price of gasoline), our projections are firmly anchored in the caveat, "If everything else remains the same..."

III. RESEARCH FINDINGS

Starting with a model that provides the underlying explanation of population redistribution in all major metropolitan areas, we then examine conditions associated with differential growth rates in central cities. After that, we analyze change in St. Louis from a number of standpoints:

- Demographic, including trends in the city and the suburbs, changing replacement capacity of various components of the city population, implications of demographic trends, and effects of interurban migration.
- Economic, including implications for the city of slow growth in the metropolitan area, changes between the city and the suburbs, and the results of a survey of industrial developers taken specifically for this analysis.
- Racial, involving various tests of the accelerating effects of racial aversions on jurisdictional and neighborhood change.
- Financial and legal, including contributions of current policies that accelerate other trends, especially federal highway and income tax policies; local jurisdictional boundaries; and the effects of local banking conservatism.

MODELS OF URBAN CHANGE

St. Louis is by no means unique among American central cities in showing absolute declines in population and jobs in the 1960s. Two events of the last twenty years—rising incomes and falling transportation costs—have affected central cities in the United States in such a way that all of them should either be growing more slowly than their suburbs or experiencing absolute declines in population and jobs. That is, it can be argued that in concert, the desire to provide and consume public services collectively (because they are cheaper that way) creates powerful incentives for firms and households to locate near one another. But countering factors make for dispersion: land is cheaper away from the central city, and more space is available for modern spread-out, low-rise industrial and commercial operations. Further, cities typically provide a fixed bundle of public services intended to be uniform across neighborhoods. However, varying demands for public services are imposed by different subgroups (young families, the aged, higher income people, lower income people). To get the level and mix of public services they want, households must move to or create jurisdictions containing people of similar needs or tastes. Thus, the heterogeneity of a city's population itself creates incentives for subgroups to disperse and regroup in more homogeneous jurisdictions.

Although cities, under many conditions, maintain a tenuous equilibrium between the opposing forces that impel clustering and dispersion, rising incomes and falling transportation costs have tipped the scales in favor of dispersion to the suburbs.

Within that broad truth, growth rates in central cities still vary. To compare the strength of conditions associated with differential growth, Emmett Keeler and William Rogers devised a simple three-equation structural model of central city change in metropolitan areas of over 250,000 population.¹ This model assumes that SMSA total income growth and population growth are jointly determined, and that SMSA population growth together with other exogenous variables determine central city population growth (see Fig. 1). Applied to 124 urban areas, the analysis shows SMSA income and population growth closely linked. It can be seen from the first equation in Table 3 that Congressional power, stronger city governments, and manufacturing have added to SMSA income growth. Natural increase and a good climate independently add to SMSA population growth (second equation). Central city change is mainly related to SMSA population change, but older cities with more old or black citizens lost more population, even with SMSA population change taken into account (third equation).

Applying this model to St. Louis,² we found that the major phenomena associated with the city's 2 percent annual rate of population decline were the slow growth of the metropolitan area (−0.33%), the city's age (−0.7%), its high percentage of black population in 1960 (−0.3%), a limited-power mayor form of city government (−0.2%), high median age of the population in 1960 (−0.2%), and a high density (−0.2%). *The city's age showed a stronger association with decline than did any of the other variables.* This finding supports other evidence (discussed below in the

Table 3

A MODEL OF GROWTH AND DECLINE^a
124 Urban Areas^b

$\text{Ercro} = 0.93 \text{ SHSCH} + 0.0013 \text{ CONG P} + 0.0015 \text{ C GOV} + 0.023 \text{ MANUF} - 0.023 \text{ HSC} + 0.0072 \text{ Age O}$					
(10) ^c	(2.9)	(3.5)	(1.9)	(1.4)	(2.2)
$+ 0.082 \text{ Cinc} + 0.0055 \text{ SOUTH} + 0.017 \text{ FEDEX} - 0.039 \text{ Unemp} + 0.13$					
(2.3)	(2.8)	(0.7)	(1.1)	(0.6)	
Standard error = 0.00545.					
$\text{SCH} = 0.93 \text{ Ercro} - 0.042 \text{ Cinc} - 0.007 \text{ SOUTH} + 0.37 \text{ Net Inc} + 0.0002 \text{ Cinc} - 0.0342$					
(11)	(+1.2)	(3.4)	(1.9)	(2.25)	(2.2)
Standard error = 0.0063.					
$\text{CC Ch} = 0.60 \text{ SHSCH} - 0.018 \text{ Age C} - 0.026 \text{ Black} + 0.001 \text{ C GOV} - 0.0012 \text{ CC Old}$					
(3.9)	(2.7)	(+2.3)	(1.3)	(2.3)	
$+ 0.0084 \text{ DEHSC} + 0.0114$					
(1.7)	(0.5)				
Standard error = 0.0114.					

SOURCE: Keeler and Rogers, *A Classification of Large American Urban Areas*.
NOTE: See Table 2 for explanation of the variables, their abbreviations, means, and standard deviations.

^aEstimated by two-stage least squares.

^bAll but Honolulu.

^cValues in parentheses are t-ratios.

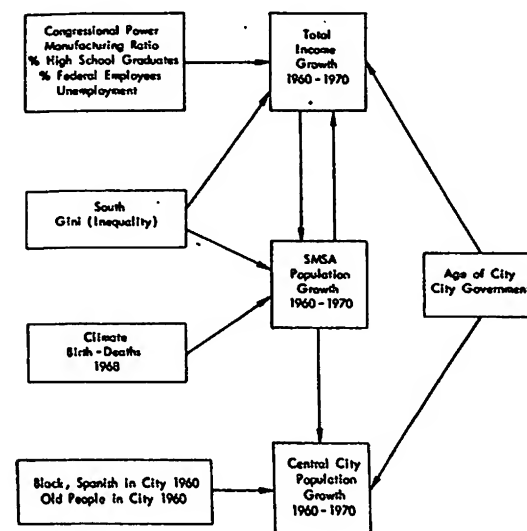


Fig. 1—Model of metropolitan growth

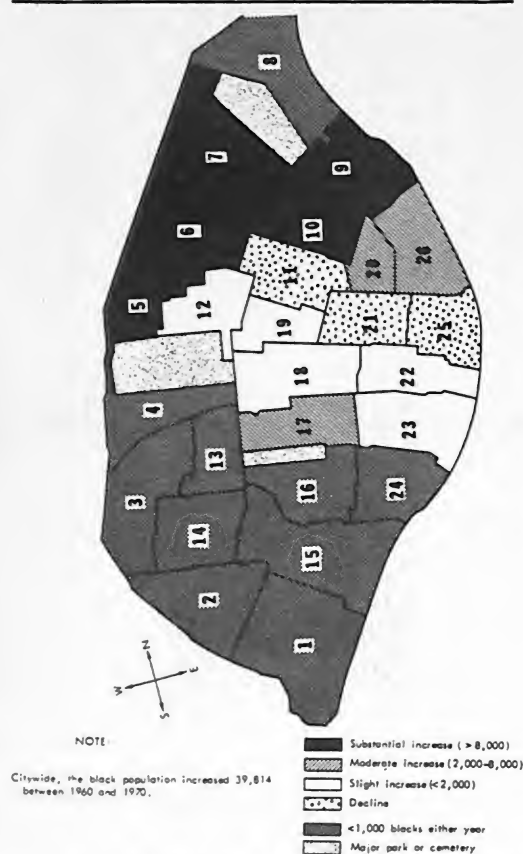


Fig. 2—Districts gaining and losing black population, St. Louis City Health District, 1960-1970

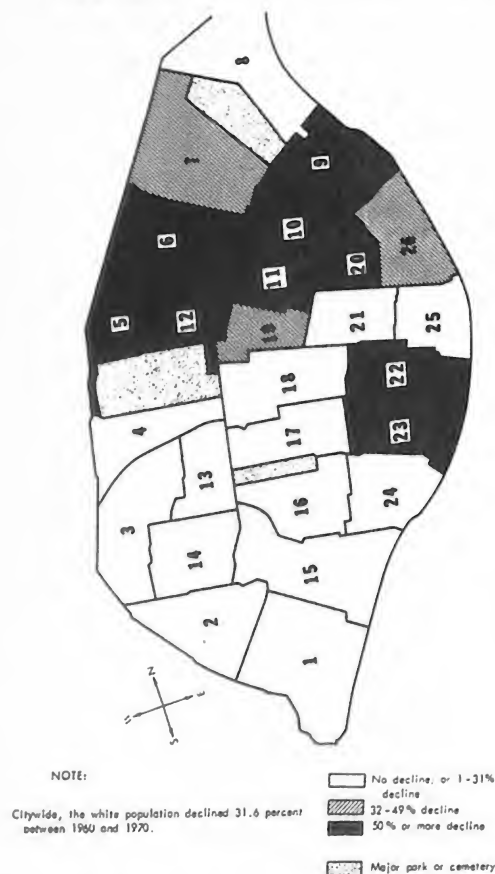


Fig. 3—Decline of white population, St. Louis City Health Districts, 1960-1970

subsection on racial change) that associates decline with an old housing stock. It should also be noted, however, that the model explained only 60 percent of St. Louis's rate of decline (the actual rate was 2.5 percent a year; the model explained 1.5 percent),³ so that other factors, not included among the explanatory variables, are also important in St. Louis.

We now turn to other analyses that examine factors included in the models we have just discussed, and additional factors useful in understanding how St. Louis got where it is. We also discuss the implications of these factors for projecting the city's future.

DEMOGRAPHIC ANALYSIS⁴

The population of metropolitan St. Louis, like that of other metropolitan areas, changes through natural increase (the difference between births and deaths) and through migration. A continual process of redistribution is under way in the area as people move into and out of particular neighborhoods. During the 1960s, dissimilarities between population change in St. Louis and its metropolitan ring became intensified.

Comparative Trends in the City and Metropolitan Ring

St. Louis is a city of 600,000 in a metropolitan area of about 2.4 million people. During the 1960s, St. Louis's population declined 17 percent while its suburban ring population increased 29 percent. The central city decline was acute, compared with that of most cities. Examination of the demographic change components (Table 4) reveals why.

The white population declined mostly because of massive outward migration, chiefly to the suburbs. Between 1960 and 1970, 34 percent of the white city-dwellers moved away. But whites also declined because their death rate steadily approached their birth rate, and since 1965 has exceeded it. Those who remained in the city added only 2 percent to their numbers (nationally, the increase in the white metropolitan population was 11 percent).

It was a different picture for blacks. There was no gain or loss through net migration during the 1960s, but the black population rose 19 percent through natural increase, very close to its national rate of 21.6 percent. Annual population estimates, however, show the black population in St. Louis to have peaked in 1968 at around 269,000. By 1972, it was estimated to have dropped below 250,000. In view of the black population's positive natural increase, the only explanation is that blacks have been migrating out of the city since at least 1968 (and almost certainly before).

The redistribution of St. Louis's population during the 1960s and early 1970s was marked by a sharp withdrawal of residents from areas adjacent to the original central business district, and racial turnover in an area north of the city's center. To examine these changes in greater detail, Rand developed a model for estimating annually the population of city health districts.⁵ (This model will enable city departments to continue to monitor changes in the population's size and racial composition at the health-district scale throughout the 1970s.)⁶

As can be seen from Fig. 2, substantial numerical increases in black population were registered in five health districts north and west of the city's center. In fact, four-fifths of the total citywide increase in black population occurred in this area. Since 1970, however, there has been no appreciable increase of blacks anywhere in St. Louis except in health districts 7 and 9.

In districts where blacks increased substantially during the 1960s, the white population registered sharp declines (Fig. 3)—in some cases falling to less than one-fifth of its 1960 numbers.⁷ Since 1970, the white population in health district 23 has stopped declining. In the eight other darkly shaded districts in Fig. 3, however, the white population has declined 15 percent annually from 1970 through 1972. Population in districts on the city's south side declined moderately or slightly during the 1960s and remains almost totally white today.

These hardly random changes in racial location in St. Louis continue to reflect the city's long history of residential segregation. (Until 1962, city newspapers carried separate advertisements for real estate open to blacks and whites.)

Trends in the Suburbs

Demographic trends were somewhat more uniform outside the city (Table 4). Natural increase and net migration contributed equally to the white population's 26.6 percent increase during the 1960s. The black population's 53.8 percent suburban growth was attributable more to net migration than to natural increase.⁸ St. Louis's suburbs attracted migrants largely from the city but also from outside the metropolitan area. Increasingly, migrants of both races entering the St. Louis SMSA bypassed the city and settled in the suburbs (mainly in St. Louis County). It can be seen in Fig. 4 that the total stream of new arrivals to St. Louis City between 1965 and 1970 was smaller (both absolutely and relatively) than it had been a decade earlier. For blacks, the inbound stream was numerically about the same; but in relative terms, newly arriving blacks increasingly favored the suburbs.

Changing Replacement Capacity

The importance of these sharply divergent growth dynamics reaches beyond the mere decline of the city's population to the cumulatively weakening effects of prolonged and severe out-migration. These effects are evident in the white population: heavy and prolonged out-migration has drawn away potential parents and left behind an elderly population that no longer regenerates itself.

The severity of out-migration by young adults can be gauged by following individual age cohorts from 1960 to 1970 (Fig. 5). For example, if there were no net migration, the number of persons 5 to 14 years old in 1960 would appear as persons 15 to 24 years old in 1970, less a small allowance for mortality during the decade. Below age 45, this allowance is minimal (at most 5 percent), so any sizable discrepancy between a young adult cohort in 1960 and 1970 indicates the extent of migration that has taken place. Figure 5 gives stark evidence of extensive out-migration in the early adult years. For example, in 1960 there were 37,900 white females aged 15-24, but by 1970, only 17,900 aged 25-34 remained—a 53 percent reduction. There were 31,100 males aged 25-34 in 1960, but only 15,900 aged 35-44 in 1970—a 49 percent reduction. Overall, 46 percent of whites aged 15-34 in 1960 were gone by 1970, leaving St. Louis with a sharply diminished pool of prospective parents.

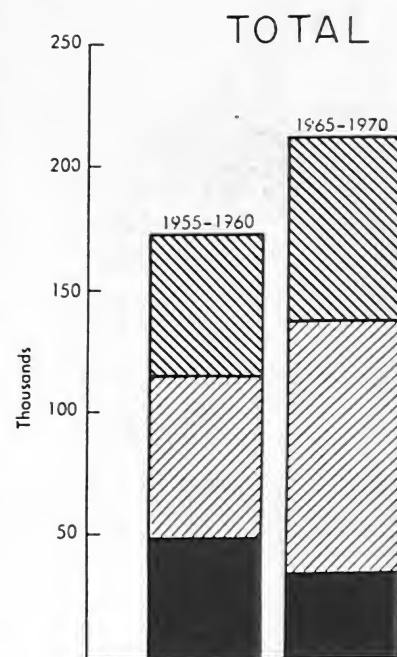
This diminished replacement capacity is illustrated more directly in Table 5, which shows:

- Women in the middle and later childbearing years have grown more scarce. In 1960 white women 25 to 44 years old made up 22.1 percent of all white women in the city; by 1970 the figure had dropped to 17.6 percent. (Part of this drop stemmed from the changing national age distribution.)⁹
- The proportion of elderly whites has risen. Whites 65 and over made up 14.5 percent of the population in 1960, but 19.2 percent in 1970. (The corresponding figure nationally was 10 percent in both years.)
- Partially as a result of these changes in age structure, the crude birth rate per thousand whites declined from 22.1 in 1960 to 12.0 in 1972; and the crude death rate per thousand whites rose from 14.8 to 18.0. (Part of the decline in the birth rate, of course, was a consequence of the national trend in the birth rate, which dropped nearly 25 percent during the 1960s.)

Since 1965, the white population has ceased to replace itself, its death rate having exceeded its birth rate. By 1972, deaths exceeded births by a margin of 3 to 2. Since it is now undergoing natural decrease, St. Louis's white population will continue to shrink whether or not net out-migration continues. Only a dramatic rise in fertility or a massive influx of young adults can alter this situation.¹⁰

The city's black population has not undergone severe migratory change and retains its strong replacement capacity: in 1972, its crude birth rate was 24.9 per thousand, but its crude death rate was only 11.2. Nevertheless, the black population began to decline in 1969, indicating a net migratory loss severe enough to offset its natural increase.¹¹ This recent shift could signify an increase in departing migrants, a reduction in entering migrants, or a combination of both. What weak indications we have favor the first of these explanations.¹²

General statements about an entire city invariably mask specific neighborhood exceptions. This is true of St. Louis, where certain areas are registering growth by attracting new residents. Two important questions are: Where are these new residents coming from—outside the city or other parts of the city? At what rate is the



^a Data shown for 1955-1960 refer to nonwhites.



Fig. 4—Destination of migrants entering the St. Louis SMSA, 1955-1960 and 1965-1970 (persons 5 years old and over, residing outside SMSA or abroad five years previously)

change occurring? If the change is internal, or if new residents are coming from outside, but at a slow rate, then the significance is small.

These neighborhood exceptions and their broader meaning leave considerable latitude for judgment. One local view we encountered repeatedly was that young white families, disillusioned with suburban living and attracted to inexpensively priced older housing, are beginning to move back to St. Louis. Evidence offered in support of this view is anecdotal: a south-side realtor claims to have more buyers than sellers; a particular parish reports that whereas few new families moved in last year, dozens have done so this year; thousands of people attend a neighborhood festival, and hundreds of would-be newcomers inquire about buying a home there.

The hypothesis that a return to the city has commenced cannot be tested directly until the next census is taken. Nevertheless, some signs of this alleged reversal should appear in our specially prepared population estimates for health districts on the city's south side. These estimates verify that the white population of health districts 1, 3, and 14 has increased since 1970. The increases are small (3, 7, and 5 percent, respectively, between 1970 and 1972). They also are erratic: health district 1 registered an increase only between 1970 and 1971; after 1971 it declined. Health districts 3 and 14 increased only after 1971. We cannot ascertain whether these increases are mainly due to whites moving into the city or to people relocating within the city.

Lacking the requisite data, we can only speculate about whether and to what degree a return movement to the city is in the offing. Population on the south side is virtually all white and advanced in age. In coming years, more and more houses will go on the market as this older population dies off. Some of this housing may well attract buyers from outside the city, creating new growth in some neighborhoods despite declining population citywide.

Nonetheless, from the demographic evidence we have, we can assert that the overall decline of St. Louis's population will continue and may well accelerate. We have seen that for whites, the substantial and cumulative loss of city-dwellers has acquired its own dynamic: the elderly now die off faster than the young are born. There is little prospect that this natural decrease will do anything but intensify for two reasons:

First, a substantial proportion of whites are either entering or already within the high-mortality age brackets. The white population's crude death rate therefore will continue to rise.

Second, prospective parents are becoming scarce among St. Louis's whites, and the national evidence that they will choose to have smaller families continues to mount. The white population's crude birth rate is therefore likely to fall, barring a dramatic increase in fertility or a strong and sustained inflow of child-bearing families.

Nor is there much evidence that St. Louis's black population will grow substantially. True, the black population is expanding steadily through natural increase, but black migration out of the city is more than enough to cancel that increase.

Accumulation of Disadvantaged Citizens

As migration has changed the metropolitan-wide distribution of population, St. Louis has lost ground in other respects. Its population has come to be comprised of those citizens who are disadvantaged, as the following comparisons show:

- Between 1960 and 1970, the city's black population rose from 29 percent to 41 percent, but only from 6 percent to 7 percent in the rest of the metropolitan area.
- The city's residents 65 years and older increased from 12 percent of the population to 15 percent; they stayed at 8 percent in the remainder of the metropolitan area.
- For families and unrelated individuals, median income in the city was 79 percent of that for the SMSA in 1959; city income was only 68 percent of SMSA income by 1969.
- The proportion of relatively high-income families declined sharply. In 1959, 11 percent of families in the city had incomes at least double the city's median family income; by 1969 only 4 percent had such incomes.
- The proportion of relatively low-income families rose slightly. In 1959, 16 percent of families in the city had incomes below half the city's median family income; by 1969, 21 percent had such incomes.

Table 4

COMPONENTS OF POPULATION CHANGE IN ST. LOUIS, 1960-1970
(Rates per hundred 1960 residents)

Area	Total Change	Natural Increase ^a	Net Migration
Both Races			
St. Louis SMSA	12.3	11.5	0.8
St. Louis City	-17.0	7.3	-24.4
Remainder of SMSA (suburban ring)	28.5	13.8	14.7
Whites			
St. Louis SMSA	9.4	10.1	-0.7
St. Louis City	-31.6	2.4	-34.0
Remainder of SMSA (suburban ring)	26.6	13.3	13.3
Nonwhites^b			
St. Louis SMSA	28.2	20.2	9.7
St. Louis City	18.6	19.5	-0.4
Remainder of SMSA (suburban ring)	53.8	22.0	37.2

SOURCE: U.S. Bureau of the Census, *Summary of Population and Housing: 1970, Summary, and Trends for Metropolitan Areas, 1960 to 1970, Final Report PHC(2)-1, Tables 10-12; PHC(2)-2, Table 3; PHC(2)-1, Table 3, Government Printing Office, Washington, D.C., 1971.*

^aRate of increase attributed to excess of births over deaths.

^bIn this section of the table, "Total Change" applies only to the black population. "Natural increase" and "Net Migration" apply to the nonwhite population as a whole, but in the St. Louis SMSA, virtually all nonwhites are black.

Table 5

BLACK AND WHITE REPLACEMENT CAPACITY IN ST. LOUIS, 1960-1972

Indicator	1960	1970	1972
Women in later childbearing years (25-44)			
White	22.1%	17.6%	NA ^a
Black	27.1%	22.7%	NA
Population 65 and over			
White	14.5%	19.2%	NA
Black	6.8%	8.3%	NA
Crude birth rate			
White	22.1	14.5	12.0
Black	34.4	25.1	24.9
Crude death rate			
White	14.8	17.7	18.0
Black	11.4	11.3	11.2

^aNA = not available.

Through selective out-migration, problems of dependency and poverty—not exclusively problems of St. Louis—have come increasingly to be located in St. Louis.

Migration

In this context, it is important to clarify how migration contributes to or alleviates the problems facing St. Louis and its residents. Like other metropolitan areas, St. Louis is linked with urban and rural areas throughout the country by migratory interchange. Among white migrants, this is a broadly connected system, indicative of metropolitan St. Louis's niche in a national system of manpower exchange. The migration of blacks, however, is more of an urbanizing process: incoming migrants enter metropolitan St. Louis mostly from rural origins in such states as Mississippi, Missouri, and Arkansas. Outgoing migrants go to metropolitan destinations, often large centers such as Los Angeles, Kansas City, and Chicago. For many blacks, St. Louis serves as an entry point into urban life.

The city, however, is where most black in-migrants to the metropolitan area settle. An important question here is: How do these incoming migrants fare compared to the St. Louis residents they join? Although we lack the requisite data for exploring this point thoroughly, it is possible to examine the unemployment experience of recent in-migrants after their arrival in St. Louis and compare it with St. Louis residents they join.¹³ Data in Table 6 show that among blacks, recent migrants differ little from long-term residents with respect to unemployment at any age. Among whites, recent migrants also have unemployment rates similar to those of long-term residents (except for the 20-24 year age group). There is, however, a sizable difference between blacks and whites in every category: blacks are substantially more unemployed than whites.

The effects of migration, then, have to be judged cautiously. In trying to analyze these effects, a major difficulty is that standard social and economic statistics are compiled and organized mostly by areas rather than by groups of people. Consequently, we can observe the experience of places, but not of people. These experiences can differ sharply. For instance, black in-migrants from impoverished rural areas in states like Mississippi may be less affluent or employable than the mostly white population they join in St. Louis. If this is true in St. Louis (as it is in other cities), then area indicators (e.g., unemployment or poverty in St. Louis) may register a worsening of local conditions. But measures of individuals' experiences (e.g., their unemployment experience or poverty now, compared with what it was before they came to St. Louis) may show marked improvement.

ECONOMIC CHANGES

Slow Economic Growth in Metropolitan St. Louis

We have seen that economic and population growth are slower in metropolitan St. Louis than in the nation as a whole. To what extent does this slow growth account for the central city's decline? There is certainly reason to believe that faster growth in the metropolitan area would be useful to the central city, but the Keeler and Rogers analysis¹⁴ discussed earlier indicated that slow metropolitan growth is not the variable most strongly associated with central city decline in St. Louis.

Further, the policy implications of stimulating metropolitan growth to gain positive effects for a central city are curious. Built into an "average" metropolitan growth rate for the nation is the fact that some areas fall below, some above that average. The most obvious way to change relative rankings is for metropolitan areas to compete with one another for jobs and people. While proponents of local growth are accustomed to such competition,¹⁵ there is no compelling rationale for public policy at a higher level to artificially equalize the economic performance of metropolitan areas by redirecting people and jobs toward certain areas and away from others.

Even if a local metropolitan area competes and wins, what are the relative benefits of so doing? In California, San Jose's rapid economic and population expansion produced its own set of problems:¹⁶ affluence increased, but its distribution did not become notably more equitable (Chicanos did not appear to benefit as much as Anglos); certain environmental amenities deteriorated as tract housing develop-

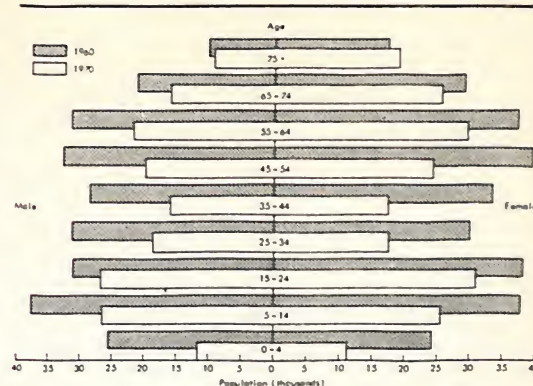


Fig. 5—Age distribution of white population, St. Louis City, 1960 and 1970

Table 6

UNEMPLOYMENT RATES IN ST. LOUIS FOR RECENT MIGRANTS AND LONG-TERM RESIDENTS, 1969

Age and Migration Status, 1970 ^a	Percent Unemployed, 1969	
	Whites	Blacks
20-24 years old		
Recent migrants	6	11
Long-term residents	3	10
25 years old and over		
Recent migrants	1.6	3.5
Long-term residents	1.5	3.6

SOURCE: U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample of Basic Records.

^aAll persons 20 years old and over in the labor force. Recent migrants are persons who moved to St. Louis between 1965 and 1970. Long-term residents are persons who lived in St. Louis in both 1965 and 1970.

Table 7

ANNUAL GROWTH RATES OF EARNINGS BY SECTOR AND INDUSTRY,
ST. LOUIS CITY AND SUBURBS, 1966-1970
(In percent)

Sector	St. Louis City	Suburbs
Government	5.3	7.1
Private	-3.1	6.1
Manufacturing	-4.4	3.5
Transportation, communications, utilities	-1.9	9.2
Trade	-5.1	11.7
Finance, insurance, real estate	-2.0	7.1
Services	3.0	7.1
Total	-2.3	6.3

SOURCE: Data provided by Regional Economics Information System, Bureau of Economic Analysis, Office of Business Economics, U.S. Department of Commerce.

Table 8

EMPLOYMENT IN SERVICES, ST. LOUIS CITY AND SUBURBS,
1959 AND 1970

Service	St. Louis City			Suburbs		
	1959	1970	AGR ^a	1959	1970	AGR
Hotels	5,672	4,687	-1.91	962	1,151	12.48
Personal	7,864	7,025	-1.13	4,039	7,043	5.56
Auto	2,190	2,609	1.75	1,185	2,626	7.96
Repair	1,184	1,690	3.56	705	1,077	4.24
Amusement	2,123	2,177	0.25	2,056	3,611	5.98
Medical	13,299	20,317	4.25	6,030	21,712	12.81
Legal	1,072	1,173	0.90	352	946	9.89
Education	3,177	10,244	11.21	1,134	5,905	16.50
Nonprofit	8,396	10,486	2.22	4,029	8,442	7.40
Miscellaneous business	7,144	14,744	7.22	1,114	6,211	17.18

SOURCE: U.S. Department of Commerce, U.S. Department of Commerce, 1959 and 1970.

^aAverage growth rate.

Table 9

PERCENTAGE OF SMSA EARNINGS BY SECTOR, ST. LOUIS CITY,
ST. LOUIS COUNTY, REMAINING SUBURBAN RING,
1970 AND 1975

Sector	St. Louis City		St. Louis County		Remaining Suburban Ring	
	1970	1975	1970	1975	1970	1975
Total nonfarm	43	33	35	47	22	20
Government	38	36	30	32	32	32
Federal government	50	44	15	25	35	29
Private	44	33	36	50	20	17
Manufacturing	42	33	36	47	22	20
Transportation, communications, utilities	55	41	23	41	22	18
Wholesale and retail	46	27	37	49	17	4
Finance, insurance, real estate	51	39	35	47	14	14
Services	43	33	35	47	22	20

SOURCE: Gardner and Payne, *An Economic Analysis of Central City Decline*.

ments and freeways destroyed orchards and serene vistas; and while San Jose's residents seem less concerned today with what urban planners regard as the aesthetic outrages of rapid growth, local policymakers were sufficiently skeptical of the benefits of rapid growth to ask Rand whether continuation of such growth was essential to economic well-being. Similar problems beset some of the suburbs of metropolitan St. Louis: traffic congestion, sudden new demands on municipal services, unplanned and inefficient land use are much more characteristic in the growing suburbs than in the central city.

Economic Growth: City Versus Suburbs

Economic decentralization has paralleled the movement of population in metropolitan St. Louis. Between 1960 and 1970, the city's share of SMSA population shrank from 39 to 26 percent. Its share of area jobs declined from 61 to 42 percent.

The figures in Table 7¹⁷ illustrate how sharply the city and suburban economies were diverging during the latter half of the 1960s. In St. Louis, earnings grew only in the government and service sectors; all other sectors declined. In the suburban ring, all sectors registered positive growth. Table 8 shows that within the service sector, city employment grew slower than suburban ring employment; indeed St. Louis lost employment in "hotels" and "personal" services and showed only a miniscule increase in "legal" services and "amusement." These growth rates, combined with declining earnings in industrial and commercial sectors, strongly suggest that the center of economic activity is shifting away from the central city. We estimate that if these trends continue until 1975, St. Louis County will have captured a share of business activity approaching that usually associated with the central city of a metropolitan area (see Table 9).¹⁸

Survey of Industrial Developers

To supplement the projections based on past aggregate data, Professors D. K. Holland and G. D. Wendel of St. Louis University carried out a survey of eight industrial developers in the St. Louis area.¹⁹ On the whole, industrial developers substantiated the conclusions of other analyses: that industrial dispersion in metropolitan St. Louis had been stimulated by the search for more space and by the construction of interstate highways. At one stroke, these highways made available large, relatively inexpensive tracts of suburban land and lowered transportation costs. The developers also indicated that high crime rates in the city gave added impetus to dispersion.

Interviews with these developers pointed up two objective limitations facing any concerted effort to reverse industrial suburbanization:

- More land is available in the suburbs than in the city. At present, about 1300 acres (not all zoned industrial) are available for development in St. Louis, whereas 4200 acres already *zoned* for industrial use are available for development in St. Louis County. Furthermore, despite widespread abandonment in St. Louis, development remains more expensive there than in the suburbs.²⁰ Moreover, recent cut-backs in urban renewal funds have virtually eliminated the land write-down feature that formerly made the cost of city land development nearly competitive with suburban land development.

- High crime rates have reduced the attractiveness of the land available for redevelopment in St. Louis. Yet crime rates depend heavily on the income level and age structure of the local population, factors that municipal governments can do little to change.²¹

From the survey of developers, we know that the most attractive land in the city for industrial development is distant from low-income residential neighborhoods and accessible to highways. From the developer's viewpoint, then, *accumulating spatial inventory in the city is a necessary but not sufficient condition for future business investment.*

RACIAL FACTORS

Several data sources we have examined show a strong relationship between the presence of blacks and a rapid exodus of whites *at the neighborhood level* both within St. Louis and in surrounding suburbs. However, the hypothesis that city-wide popu-

lation decline is largely a matter of "white flight" (i.e., racially motivated departure) was not substantiated. This finding fits with the analysis by Keeler and Rogers,²² which shows a weaker relationship between race and central city decline than between the city's age and its decline.

Race and Central City Decline: The White Flight Hypothesis

Precipitous neighborhood change may be explained in part by racial transition, but the *aggregate* population decline of the city appears to be a response to other factors. In one attempt to account for the pattern of residential and industrial dispersion evident in the St. Louis metropolitan area, we tested three hypotheses that seemed to be plausible explanations of trends that have left St. Louis City with a population composed increasingly of blacks.²³

- Industries in which whites are overrepresented have been suburbanizing more than other industries. A high proportion of whites have been choosing to live close to their jobs.
- Other things being equal, nearly everyone prefers suburban residence to city residence. If whites' incomes have been rising more than blacks', a higher proportion of whites will have moved to the suburbs.
- The white population has been leaving the city to escape the black population (the "white flight" hypothesis).

We examined black and white departure rates from the central city adjusted for interracial differences in income and job location within the metropolitan area.²⁴

There were two findings. First, *within every income bracket for both blacks and whites, fewer people live in St. Louis City than would be expected, given the spatial distribution of jobs.* Second, at only the lowest and highest income levels did whites leave the city at faster rates than their black cohorts. That is, *for most of the income distribution, blacks and whites were leaving the city at the same rate during the 1960s.*

Reasons for Residential Change

A survey conducted by the City Plan Commission in 1967²⁵ offers clues about why these moves took place. Interviews suggest that people's desire to own a home or enlarge living space is as important as their desire to escape repellent neighborhood conditions in motivating movement within and away from the city. Of respondents who intended to move, both blacks and whites who gave priority to becoming homeowners tended to favor St. Louis County as their destination. For prospective homeowners, then, St. Louis's housing stock is less competitive than housing in the suburbs.²⁶ On the other hand, respondents who intended to move and who gave priority to enlarged living space tended to designate locations within the city.

Thus, St. Louis's housing stock is competitive mostly as it offers space for rent. Blacks and whites who expected to move, however, were found to designate mutually separate areas of the city. While we hesitate to accept these expressions of intent without question, we note that they are borne out by the actual patterns of white and black movement, to which we now turn our attention.

Analysis of Census Tract Population Changes²⁷

During the 1960s, rates of population change varied widely among different sections of St. Louis. Census tracts—small and relatively homogeneous areas into which cities are subdivided—are a useful scale at which to examine these variations. Regression analyses of population changes in St. Louis census tracts from 1960 to 1970 reveal consistent patterns beneath this variability and offer clear indications of the contrary racial trends just noted.

Not surprisingly, the population changes at this small-area scale fit well with the somewhat larger health district scale analysis reported above, showing continuing differentiation of the black and white populations within the city. Blacks exhibit a strong tendency to move into tracts where blacks already reside, rather than disperse evenly throughout the city. (As noted earlier in this section, under the heading "Comparative Trends in the City and Metropolitan Ring," four-fifths of the black population's citywide increase was concentrated in 5 of the city's 26 health

districts.) Predominantly white tracts tend to retain white residents if most white households own their homes. White population declines more severely where most whites rent, or where blacks—particularly new arrivals—make up a significant fraction of residents. Although our regression analysis cannot shed light on causation or underlying motives, it documents the powerful continuities in racial separation in St. Louis. These tendencies reflect a long history of overt racial segregation in housing. Today, however, the behavioral mechanisms at work may also involve income differences that affect the filtering of housing. To investigate this possibility, we examined the dynamics of the housing market.

Neighborhood Level Analysis of the Housing Market²⁸

An arbitrage model of household locational decisions can often be used to predict and explain the response of the housing market to changes of race and income in neighborhood household composition. This model assumes that the housing market is segregated by race and income, reflecting people's preference to cluster in homogeneous groups. High-income families who can afford new housing receive discounts if they live in neighborhoods adjacent to low-income families. Low-income families pay premiums to live in neighborhoods adjacent to high-income families and capture their amenities. Equilibrium in the market occurs when the price of housing along the boundary between these two groups is the same for each.

Under these conditions, increased housing demand by poor families can provide an incentive for houses to change from use by high-income families to use by low-income families; as the price of housing goes up for low-income families, the contraction of housing supply for high-income families increases the cost of their housing and provides an incentive to new construction. Racial prejudice would affect the housing market similarly, although two boundaries should develop: one between high-income and middle-income black families, and one between black families and low-income families. In this case, as black families demand more housing and drive the price up, there is an incentive to shift some housing from use by high-income whites to use by middle-income blacks.

Initial evidence based on rental market data for selected city neighborhoods shows the following pattern: vacancies rise as black and low-income family occupancy approaches a particular block. Near the peak of the vacancies, rents begin to decline. Then, once the boundary is passed, vacancies decline and rents rise briefly to their previous level. Finally, rents decline continuously until they reach a floor, at which time the units are removed from the market.

This same pattern has since been found to prevail in suburban neighborhoods. Additional data on the housing market (i.e., data on the owner-occupied as well as the rental housing market) suggest that middle-income blacks—themselves moving from lower-income black areas—have been the leading edge of suburban neighborhood transition even where their incomes are somewhat higher than those of their new white neighbors. Vacancy rates increase in such neighborhoods, and housing prices deflate over time to the point where less affluent black families can enter the area. White neighborhoods in the path of such movement anticipate transition, showing higher vacancy rates even before black entry—and the process continues.

These latter data support the hypothesis that precipitous neighborhood change is stimulated by racial transition. Even so, it can be argued that white response at the neighborhood level is less a direct flight from the first middle-income black families than a response to expectations that lower-income blacks will follow.

Policy Implications

To repeat, racial aversions do not appear to be strongly associated with St. Louis City's population decline; in fact, at most income levels, blacks and whites have been leaving the city at about the same rate. On the other hand, there is some evidence that racial transition causes precipitous neighborhood change within jurisdictions. But whether race, income, or some combination of differences causes people to flee certain neighborhoods and certain jurisdictions, communities of high transition are typically left with lowered income distributions. Local policymakers are then less able to intervene in the transition process, to the extent that public services depend on tax revenues collected from residents.

POLICY ACCELERATORS TO CENTRAL CITY DECLINE

The decline of St. Louis remains most strongly associated with the demographic and economic factors discussed above, factors that local policy can do little to control. Nor can St. Louis easily control federal policies that contribute to decline. However, certain federal and local policies not only contribute to decline; they accelerate it. Some of these policies are discussed in this section.

Federal Highway Policy²⁹

During the 1960s the federal government supported the construction of five major interstate highways in metropolitan St. Louis (Fig. 6).³⁰ Total capital expenditures of the interstate system during this period exceeded \$250 million dollars, of which the state paid 10 percent.³¹

Industrial park locations (the dots in Fig. 6) show that this form of industrial development is sensitive to the location of the interstate beltway, a fact borne out by the survey of industrial developers discussed above. To gain a rough numerical picture of how beltways influence land use patterns, we examined residential and employment density changes that occurred between 1965 and 1970 for three rings of the SMSA,³² designated by the letters A, B, and C in Fig. 6. Ring A is bounded by city limits on the west and includes all traffic zones within the city. Ring B contains all zones in St. Louis County within the outer beltway (I-270, I-244). Ring C includes the remaining zones west of the outer beltway and portions of St. Charles and Jefferson Counties (represented by dashed lines in Fig. 6).

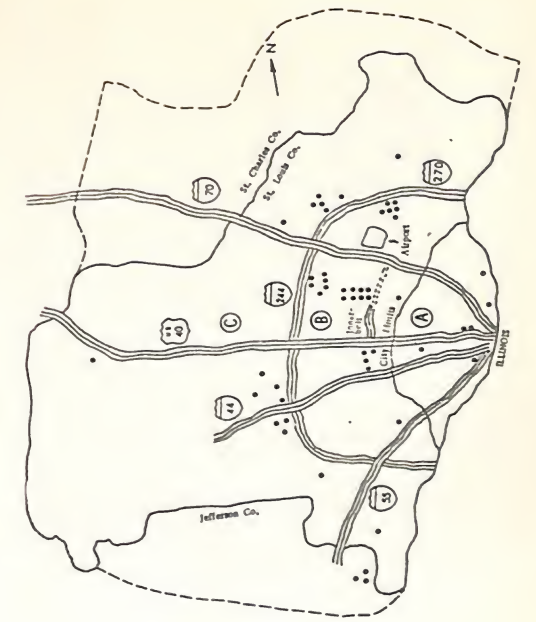
Land use densities in 1965 and 1970, shown in Table 10, reveal several interesting trends. First, population density is roughly three times higher in St. Louis City (Ring A) than in inner St. Louis County (Ring B); but in both areas population density declined from 1965 to 1970. In outer St. Louis County and portions of Jefferson and St. Charles Counties (Ring C), population density increased about a third, but the absolute density of this ring is still far lower than that of the inner two rings. Second, industrial employment density (persons employed per industrial acre) declined in Ring A and increased in both Rings B and C, supporting other observations about the direction of industrial expansion. By contrast, commercial employment density increased slightly in Ring A while falling in Ring B; it rose sharply in Ring C, although from a small initial base. These trends suggest that the urbanization process is continuing well beyond the previous county suburban boundary (represented by the inner beltway).

We also explored the influence of radial highway routes on changing land use for industrial purposes in one portion of the metropolitan area. Our expectation was that areas experiencing large decreases in travel time to St. Louis's Central Business District would display the greatest relative increases in land use density.³³ Our results were mixed. For that portion of the SMSA lying north of State Highway 40, density changes tended to be greatest where travel time changes were smallest—opposite to our expectations. This finding may reflect important time lags in the adjustment of urban activities to transportation change. We note that the major northern radial route, I-70, was completed in 1961; thus its impact on changing travel time is not captured by our 1965-1970 data. The changing densities we do capture may reflect continuing response to those earlier time changes.³⁴

In the southern portion of metropolitan St. Louis, the data confirmed our anticipated effect of travel time change on density. Industrial employment density changes were directly influenced by improved access to the CBD. The estimated coefficient for travel time change (the major explanatory variable) was near unity, indicating that for the typical zone, a one-minute decline in CBD travel time is associated with an increase of one industrial job per industrial acre.³⁵

No doubt, the size of this coefficient is inflated because our model excludes other important explanatory variables, such as land value. Nevertheless, it is clear that the response of industrial firms to declining transportation costs, as measured by CBD travel-time changes, is significant.

To summarize, both radial highways and beltways have stimulated industrial and population dispersion from St. Louis. If these patterns continue during the remainder of the 1970s, the interstate beltway may be a catalyst for further westward movement of population and employment. Indeed, our survey of industrial developers indicates that this beltway has already sparked a substantial increase of industrial activity in the outer western ring of metropolitan St. Louis.



SOURCE: Holland and Wendel, *Development of Industrial Parks*.

Fig. 6—Location of major highways and industrial parks in the St. Louis SMSA

Table 10

POPULATION AND EMPLOYMENT DENSITIES IN THE ST. LOUIS SMSA, 1965-1970

Ring	Population Density	Industrial Employment Density	Commercial Employment Density
Ring A 1965 1970	33.5 31.4	12.7 12.0	10.5 10.8
Ring B 1965 1970	11.7 10.5	3.1 3.4	4.7 4.2
Ring C 1965 1970	2.3 3.2	0.75 1.0	1.3 2.4

SOURCE: Traffic zone data obtained from Missouri State Highway Commission.

NOTE: Population density figures refer to persons per residential acre. Employment densities refer to persons employed per industrial or commercial acre.

Federal Real Estate Tax Incentives³⁶

Federal real estate tax incentives do not determine the jurisdictional *locations* (e.g., city versus suburb) in which money is invested. But they accelerate dispersion by offering advantages to types of investment that are simply more available in suburbs than in central cities. For example, the benefits to home ownership encourage middle- and upper-income families to purchase new housing which appears mostly in the suburbs. At the same time, laws that do not allow deductibility of capital losses on owner-occupied homes, but that do tax capital gains, hasten disinvestment in central city housing that is comparatively older and more likely to decline in value, and discourage improvements likely to be reflected in capital gains.

In combination, these laws encourage panic selling to avoid loss, and worsen the instability of neighborhoods undergoing racial or income transition; they deter capital improvements, thereby hastening the deterioration of housing stock; and they encourage conversion of homes to rental property for a period before sale, thus accelerating neighborhood change. For metropolitan St. Louis, Richard Slitor has estimated that there is a \$67 million annual tax break for home ownership, a \$22 million capital gains incentive for real estate speculation, and \$13 million in capital gains unrealized at death. These figures represent different sorts of incentives for private actions, not estimates of the market effects of such actions. Thus, they are not additive. Nonetheless, they represent an impressive set of incentives for investment in suburban housing and disinvestment in central city housing.

Other Federal Policies

A number of other contributory federal policies warrant mention in an overall assessment of St. Louis's decline. While we have not carried out specific analyses here, we can offer the following observations based on research by others.

The housing policies of the 1960s had important effects in St. Louis. The Pruitt-Igoe public housing development, built in the 1950s, abandoned during the 1960s, and partially demolished in the 1970s, is well known—a classic example of how federal high-rise, low-amenity, problem-concentrating public housing fails.

Less dramatic but more important than public housing has been the effect of mortgage reinsurance by the FHA and VA, far and away the most powerful federal policy affecting housing in the post-World War II era. To be sure, decentralization of population has stemmed from an overwhelming popular desire for suburban housing; but FHA and VA reinsurance had two important contributory effects. First, it enabled people to buy suburban housing with no down payment and at low interest rates. Second, it created a national mortgage market. Both of these effects accelerated the outward movement of families. Moreover, in the case of St. Louis, the FHA has often refused insurance on inner-city mortgages, making it even less likely that private owners would maintain the existing housing stock. More recently, the Department of Housing and Urban Development has sharply curtailed urban renewal funds, thereby removing the land write-down feature—the only remaining factor that could make city land development nearly competitive with suburban land development.

Housing is by no means the only realm in which the powerful side effects of federal policy have hastened St. Louis's decline. Earlier we pointed out that one reason for differential decline is the ample availability of cheap agricultural land that can readily be developed for industrial or residential uses. Although partly a result of St. Louis's natural geography, suburbanization may be substantially accelerated by federal flood control policy under the Corps of Engineers, which continues to create more land.

A number of federal policies, then, have contributed to St. Louis's decline. Other possible policies, such as revenue-sharing and income maintenance, might have helped to slow this decline or soften its effects on people, but such policies have not been in force.

Local Policies

Jurisdictional Boundaries. St. Louis is one of the five geographically smallest cities in the United States with over half a million population.³⁷ At the peak of its twentieth-century population, more than 880,000 residents lived within its 61 square miles. Although there are fewer than 600,000 residents today, St. Louis

retains a high density of land use.³⁸ Indeed, our survey of industrial developers shows them in unanimous agreement that the *desire for additional space* has been an overwhelming (though not exclusive) motivation for business departures from the city.

Some local analysts contend that sharp decline registered in St. Louis's population is, to a degree, a statistical artifact arising out of the political decisions that have kept city boundaries fixed for so long. According to this view, the corporate entity called "St. Louis" is more artificially defined than most other central cities, the result being to render it an exaggerated example of the typical older U.S. city.³⁹

To measure the effect of this size restriction more exactly, we calculated how far St. Louis boundaries would have to extend for its decline in 1960-1970 population to equal the *average* population decline for comparable U.S. cities.⁴⁰ We found that *city boundaries would have to extend about six miles farther west, taking in two-thirds of St. Louis County's population and about one-third of the county's land area* (see Fig. 7). Of course, it is possible to extend city boundaries far enough to create a jurisdiction that shows no population or job loss between 1960 and 1970. In that case, what we call the city would become a larger jurisdiction's concentration of low-income population. It is *not* clear, however, that the jurisdiction we might create this way would have developed in the same way had such annexation actually occurred.

Though we cannot argue that restricted boundaries have accelerated St. Louis's decline, they have distributed the *consequences* of decline to the city's disadvantage. Reduced revenues, coupled with the necessity of maintaining an older physical stock and the necessity of providing services to a growing proportion of aged and poor, engender problems that are less and less capable of solution from within those political boundaries.

Conservative Banking Community. People we spoke with often mentioned the conservatism of the city's banking community as a barrier to new growth in St. Louis. Using recently developed techniques of portfolio analysis, we tested this belief.⁴¹ The approach used was suggested by the method of the Capital Asset Pricing Model, developed by William Sharpe⁴² and others.

Applying this model to the four largest banks in St. Louis City—The First National Bank, Bank of St. Louis, Boatmen's National Bank, Mercantile Trust—we found conventional wisdom to be true. These banks *are* conservative when compared with the rest of the nation's big-city banks. And between 1940 and 1970, the banks showed increasing conservativeness. But what is the import of this for urban growth?

It can be argued theoretically that in cities where banks finance higher-risk, higher-payoff investments, the wealth of the population will grow faster than in cities where banks maintain lower-risk preferences. The regulation of entry into banking reduces the probability that the full spectrum of risk preferences will develop among banks, a phenomenon that can be expected to develop in an open competitive market. Unit-rule banking, a very strict form of entry regulation, may tend over time to reinforce any disequilibrium of risk preferences (e.g., where all banks in a community are conservative or all have high-risk preferences) by retarding the entry of new banks into a community.⁴³

While we cannot estimate the quantitative effect of a conservative banking community on economic growth in St. Louis City, we can argue with confidence that it has not helped the city's economic viability.

IV. ALTERNATIVE STRATEGIES FOR THE FUTURE

ALTERNATIVE FUTURES FOR ST. LOUIS CITY

Because St. Louis has already undergone major economic and population decline, it is possible that the attendant accumulating inventory may initiate new conditions in the city that will gradually mitigate or even reverse the downward trends of the past. Theoretically, any urban jurisdiction can "bottom out," as large blocks of inexpensive empty land stimulate new forms of investment.

Today, of course, St. Louis is far from emptied out. It still contains some 600,000 residents and 40 percent of the SMSA's business activity. However, its population is on a course that cannot easily change: the white population will not cease declin-

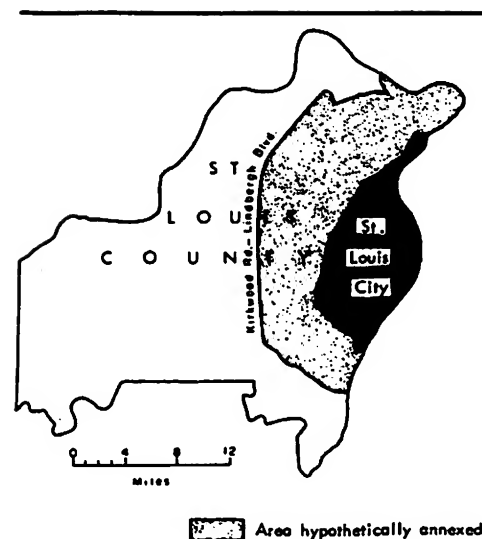


Fig. 7—Hypothetically different St. Louis City boundaries

ing without net in-migration, and the black population will not continue growing unless out-migration ceases. If industrial location trends during the latter half of the 1960s continue for another five years, the city will be only one other center of business activity, as opposed to the chief center. St. Louis County will contain more economic activity than the city. Public revenues have become progressively more difficult to generate locally: receipts from the earnings tax are falling in real terms; the statutory limit on the property tax rate has been reached; and assessed valuation is not increasing faster than inflation. In both 1971 and 1972, sales tax receipts were disappointingly less than had been expected.¹

Current and Future Inventory

Nevertheless, the city now has approximately 1300 acres available for development. This figure could rise to 2200 by the year 1990, if current trends in land clearance continue (through continuing population and business dispersion, along with the present rate of building demolition). We can arrive at a rough estimate of what new investment in these areas might mean for the city as follows:²

If almost 60 percent of the available land is allocated to industrial-commercial use and the remainder to streets, alleys, and residential uses, then about 1300 acres will be available for industrial-commercial development by 1990. Translating this acreage into jobs—67 percent allotted to industrial and 33 percent to commercial jobs, as is now the case—and then allocating 26 employees to each industrial acre and 85 employees to each commercial acre (using 1971 statistics), some 56,000 jobs could be developed by 1990. Next, since the earnings tax is one of the most significant sources of current city revenues,³ we estimate average salaries for the jobs to be developed⁴ and the consequent earnings tax: by 1980, approximately \$3 million, and by 1990 an additional \$4.5 million, might be generated in city earnings tax.

These obviously crude estimates indicate possibilities, not probabilities; they do not represent net increases; they assume short temporal lags between abandonment and reinvestment; nor are they consistent with the results of our survey of industrial developers. If those results are indicative of a solid frame of mind on the part of the private interests making the relevant decisions, the simple availability of land in the city will not suffice.

Federal Decisions

Before we turn to specific local policy efforts to induce redevelopment, it is important to mention three pending decisions. Each will be made primarily at the federal level, and any one of them could reduce the effectiveness of local attempts to bring economic activity and residences back to the city. They are:

(1) *The development of bottomland.* About 5000 additional acres could become available for industrial development in St. Louis County alone with construction of the Meramec Basin Dam by the Army Corps of Engineers.

(2) *A projected interstate highway link from Kansas City to Chicago.* This highway will cut two hours and over 100 miles from the present route through St. Louis. Many argue that the new highway will hurt both the trucking and tourism industries in the St. Louis metropolitan area, and particularly in the city.

(3) *A new airport site.* The development of a new airport to the southwest of the city, in addition to Lambert Field on the northwest, would further act to draw new industrial development away from the city limits. (This is not to imply the converse—that an airport located to the east in Illinois would draw business back into the city.) However, any new attraction for development west of the city is likely to hurt, with more western development reinforcing a strong existing tendency.⁵

Local Policies: Redevelopment Possibilities

Meanwhile, the St. Louis City Plan Commission has just published a new 15-year development program⁶ intended to reestablish the city as a viable working and residential community. Although emphasizing physical development, particularly of residential neighborhoods, the program also focuses on controlling crime, improving educational opportunity, and restructuring some parts of city government. The plan envisions differential treatment of neighborhoods aimed at retaining the stability of neighborhoods that are presently sound, rehabilitating other neighborhoods, and continuing demolition in still others.

For the short-range phase of the development program that stresses residential betterment, estimated financial requirements are \$154 million. The program recommends, in addition, a four-year public improvement effort involving: \$6 million for demolition; \$7.2 million for waste disposal and pollution abatement; \$29 million for facilities to encourage economic development; \$68 million for transportation improvements; \$16 million for major recreational facilities; and \$40 million for educational facilities. Accomplishment of the long-range (15-year) plan is estimated to require close to \$1.5 billion.⁷

In addition to urban redevelopment carried out by the St. Louis Land Clearance for Redevelopment Agency (both federally assisted and nonfederally assisted), three policies are being used in concert to enhance the prospects for private investment in the city:

(1) *The Missouri Urban Redevelopment Corporation Law*, which provides the power of eminent domain to corporations planning expansion or redevelopment. This allows more efficient accumulation of land and is accompanied by a 25-year schedule of tax abatement.

(2) *Planned Industrial Expansion*, which allows industrial revenue bonds to be used for industrial development.

(3) *The Land Reutilization Act*, which permits the city to foreclose on tax-delinquent property, thereby enabling the city to accumulate property for purposes of restoration or rezoning for new uses.

Recent private investment has been substantial, according to the Plan Commission. For example, they point out that the Mercantile Trust Company announced plans this year for a \$150-million Mercantile Center. The Boatmen's National Bank has announced plans for a \$23-million project. Design of a \$25-million public Convention Center is nearing completion. Official approval is near for a \$75-million Convention Center Plaza private redevelopment effort. Construction has begun on an \$8-million addition to Stouffers Inn. Breckenridge Hotels Corporation has requested approval for a \$10-million hotel development over the vacant Spanish Pavilion. General American Life Insurance Corporation has announced plans to build a new headquarters at an estimated cost of \$10 million. A Florida developer has announced plans to renovate the city's old Post Office building, and other plans are in progress.

Further, local officials see great promise in a new consciousness of neighborhood identity among many of its residents, and a renewed interest in city dwelling among young families. In the last five years, neighborhood corporations have burgeoned, and neighborhood festivals—drawing from 10,000 to 50,000 people—have been taking place in increasing number. These festivals consciously promote the amenities of in-city living, and encourage potential homebuyers to sign up to be contacted when housing comes on the market. According to some estimates, between 2000 and 4000 young families have been attracted to city residence since 1970, either recruited by conscious neighborhood effort or drawn by their own tastes for city residence.

The Probabilities

No one can deny that local policy has taken an active and vigorous posture toward reviving city life. But there are major uncertainties as to whether the underlying causes of the urban crisis in St. Louis can be effectively changed or reversed by measures envisioned in the new plan:

Will the current revival of private investment in the city continue?

Will middle-income families and businesses be attracted back to the city in significant numbers by these measures alone?

Will they manage to generate sufficient revenues to support municipal goods and services, despite having to share these revenues with the city's disadvantaged population?

Our analysis makes us doubt that the present policies alone can sufficiently attract new investment to the central city. The city is capturing a dwindling fraction of the new industrial and commercial development occurring in metropolitan St. Louis. In 1968, approximately 56 percent of new investment in projects involving \$100,000 or more was in the city. In 1970, the figure was only 23 percent; and in 1972, 11 percent.⁸ Although investors are betting that the scheduled new office space will

be filled, their bets are cautiously hedged. Thus, the Mercantile Center development is staged over a decade. It will begin with a \$25-million building to house existing bank facilities, requiring that only 50 percent of the space be leased on the open market. Subsequent buildings—a luxury hotel and three more office buildings—will be developed sequentially. As first steps are justified by new demand, next steps can be taken. And caution is not unwarranted: in the city, utilization of general office space remained at 9 million square feet from 1955 to 1971, in spite of net additions to supply of office space of over 2 million square feet.⁹

The city's power to hold current private economic investment and to attract still further investment is somewhat compromised by the frequent requirement of federal resources to force down the price of land. This necessity makes the city's future economic development quite vulnerable to changing federal decisions (freezing HUD funds, changing urban renewal policies). Indeed, one major company in the city has been working with local and federal resources for five years to develop 44 acres of surrounding land; they estimate that achievement of the development will take at least another seven years. Thus, while city locations *can* be made attractive for certain types of private investment, the encumbrances of so doing assure that suburban locations will remain strongly competitive in the foreseeable future.

Another argument sometimes made is that fuel shortages will reduce the rate of metropolitan decentralization, inducing higher densities of population and business which will be more acceptable to the smaller families anticipated in the next two decades. But transportation research in progress at Rand indicates that the price of gasoline will have to triple to induce a 9-percent decline in vehicle miles traveled. In addition, income elasticities are shown to be high for both automobiles and gasoline, suggesting that as incomes rise, the purchase and use of automobiles will increase as well.

Even if decentralization is slowed, the city cannot expect to be sole beneficiary of these trends. Under conditions that reduce decentralization, *every* jurisdiction in a metropolitan area might expect to house a larger proportion of its labor force, as some communities attract more employers of their residents, while others attract as residents those who also work within their boundaries. Already, in the fifteen largest U.S. metropolitan areas, an average of 72 percent of workers both live and work in the suburbs. (St. Louis is close to the average with 70 percent.) And in nine of those fifteen metropolitan areas, suburbs have equaled or far exceeded their central cities as the principal location of jobs.¹⁰

Our conclusion is that no current policy available to the city can induce the rate of private investment that would return the city to a position of economic dominance in the metropolitan area. Nor does St. Louis appear to be moving in the direction of becoming a predominantly black, self-supporting suburb.

Rather, what is happening now is that the major causes of the urban crisis are stimulated and accelerated by conditions and policies beyond the reach of local policy; local policy is left mainly to ameliorate their consequences—and left with reduced sources of revenue to do even that. This position forces local policymakers to devise short-term solutions, because they simply cannot finance long-term solutions. Yet, paradoxically, the short-term solutions *can* worsen the longer-term problems.

St. Louis City's earnings tax is a case in point. *In the short term*, it captures as much revenue as possible in an equitable way. The city cannot afford to eliminate this revenue source until a very different municipal financing system is in place. Nevertheless, *in the longer view*, the earnings tax falls most heavily on the use of land in business districts and can be escaped by removing the activity. It falls most heavily on residents who work outside the community and can escape the tax by leaving the city. It creates a systematic incentive to live and work outside the city. To be sure, the lower property values that may induce new residential and industrial investment in the city can be traded off against the earnings tax. But as property values rise with stimulated investment, the trade-off becomes less advantageous for later investors, enhancing once again the competitiveness of suburban locations.

LIVING WITH THE FUTURE

St. Louis does appear to have the opportunity to *reduce the rate of its decline*, but even this reduction requires new sources of revenue outside its own jurisdiction.

Since the legislation to achieve that is clearly long-term, the city remains locked in short-term strategies as described above. In our opinion, these strategies must continue to be developed in the understanding that for the most part the *historical* functions of central cities are technologically obsolete today.¹¹ Clustering of people and of economic activity is no longer paramount to the degree it once was. St. Louis's age and location within an outwardly sprawling urban region render it increasingly just "another part of town." Making the best of what it has to offer means catering more deliberately to the diversity of interests that lie within its boundaries. How might this be done?

Our proposal is to engage in jurisdictional or administrative changes designed to enable groups of common interests, tastes, and needs (e.g., neighborhoods) to define and receive public goods and services tailored to those needs. Certain plans of local policymakers are already aimed in this direction: the current city development program proposes different strategies of intervention, depending primarily on housing conditions in different neighborhoods. *The full development of this strategy, however, is dependent on a mechanism for generating revenues that will allow low-income residents to live where they want to, without requiring the jurisdictions they choose to depend predominantly on internal sources of financing.*

We have already noted in Sec. III that with rising incomes and diminishing transportation costs, people disperse and regroup into homogeneous jurisdictions where public services tailored to their particular desires and needs are provided. The larger and more heterogeneous a taxing and service-delivering jurisdiction, the more likely it will be that current forms of municipal financing and allocation of public goods¹² will return a lower proportion of the tax dollar to relatively affluent citizens than to the less affluent in the form of goods especially tailored to their own needs and tastes. To be sure, less affluent citizens might choose municipal expenditure patterns quite different from those selected by wealthier citizens, and in that sense public goods directed to the needs of disadvantaged groups provide less acceptable returns on their tax dollars as well. However, since the total revenue available from wealthier citizens is greater than that available from poorer citizens, the latter receive greater benefits from the affluent than they could support out of their own resources.

Thus, the more affluent have strong incentives to support their desired services in separate smaller jurisdictions—much stronger than the incentives of the poor to isolate themselves from more affluent neighbors. And rising incomes and diminishing transportation costs increase the ability of more affluent city residents to form new, more homogeneous jurisdictions—i.e., to suburbanize.

According to this argument, St. Louis City would not be the only municipality in the metropolitan area subject to departures of the better-off. And indeed, the population of University City (a ring suburb) declined by 10 percent between 1960 and 1970;¹³ and median income fell, though in no sense is University City a low-income community, even now. In this smaller community, where jurisdictional boundaries can be escaped by even shorter moves, there is some evidence to suggest that racial as well as income transition accelerates movement from jurisdiction to jurisdiction.¹⁴ On the basis of this understanding of urban processes, we would argue that *until some form of revenue-sharing—federal, state, or metropolitan—makes the poor a smaller financial burden for any single jurisdiction, rising incomes will continue to encourage the more affluent to flee and their amenities will encourage the less affluent to pursue them.* And if whites cannot tolerate sharing the same bundle of public services with blacks, movement from jurisdiction to jurisdiction within the metropolitan area will be further accelerated.

We suggest widening the jurisdictional boundaries at which revenues are collected. Federal revenue-sharing is an example of what we mean, though presently it is neither substantial enough nor is it perceived as permanent enough to represent a tenable solution to municipal financing problems. True, other levels of revenue-sharing are feasible for some areas—metropolitan or state revenue-sharing. However, for the St. Louis metropolitan area, past voting records suggest that metropolitan revenue-sharing has little likelihood of acceptance. Perhaps changes in suburbs like University City will make possible a metropolitan coalition; perhaps the federal government will come up with an effective incentive program for metropolitanization (but we would not recommend such a program on the basis of this single study). In any case, most metropolitan solutions for greater St. Louis seem out of current reach.

If, however, ways were presented to make municipal financing less dependent on the ability of current residents to pay, municipal governments would be more free to experiment with different modes of service provision. At least some goods and services might best be ordered and provided at very narrow jurisdictional levels, e.g., neighborhoods. In this way, cities with heterogeneous populations might capture some of the benefits of small homogeneous (and affluent) suburban municipalities where residents can purchase and control the public goods and services they want.

STRATEGIES FOR LOCAL POLICY

Our analysis of St. Louis has discouraged us from emphasizing local policy changes. In many ways, the city is already handling its inventory in ways our analysis would suggest: subjecting hung-up inventory to demolition; accumulating contiguous parcels of land in a land bank; discouraging small scattered developments where empty land has promise of accumulating; attempting to reduce the price of city land. We have opinions about the consequences of certain local policy issues that have been informed by our research:

- Branch banking would appear to promise more beneficial than negative consequences for growth throughout the metropolitan area.
- Proposed Missouri sites for a new airport will reinforce the already strong westward development in the area.
- Continuing development of bottom land in the metropolitan area will provide substantial new suburban inventory with which city sites must compete.
- The proposed interstate highway connecting Kansas City to Chicago may hurt such industries as tourism and trucking in the metropolitan area and especially in the city.

Local policies may have beneficial effects, but the most significant steps for ameliorating the city's decline rest on policies that must be developed outside its jurisdiction at either the state or federal level. Yet recommendations to state or federal officials for major changes in urban policy must necessarily be tentative when derived from the analysis of one city. Thus, rather than make recommendations, we present examples of policies that could make the poor a smaller financial burden for any single jurisdiction:

- At the federal level, this calls for a much more substantial revenue-sharing program that takes into account the large proportion of public goods (streets, hospitals, parks), as well as services that cities currently support. Formulas for distributing revenues should provide higher than current returns for proportions of low-income citizens.
- At the state level, a more limited form of state revenue-sharing could support selected public goods in cities—for example, public hospitals.
- At the metropolitan level, even limited revenue-sharing would help. For example, revenue generated by industry in the metropolitan area might be apportioned to municipalities in the area by a formula that would grant higher returns to jurisdictions with high proportions of residents in poverty.¹⁵ This would reduce the competition for industry between metropolitan jurisdictions and would promote industrial location more suited to the environmental concerns of the whole metropolitan area. We recognize that revenue-sharing of this type would be extremely complex to accomplish across states; for that reason decisionmakers might consider limiting such a plan to the Missouri portion of the SMSA.
- Alternatively, a metropolitan earnings tax would be possible. Once again, revenues would be apportioned to area municipalities by a formula that would grant higher returns to jurisdictions with high proportions of residents in poverty.¹⁶

But what might the city do under *current* forms of generating revenue to lessen the incentives that encourage affluent citizens to move to other jurisdictions? (Though we address this strategy to the city, it would apply to any municipality.) Our analysis suggests that the most helpful strategy toward this end would be to gear the administration of municipal services and regulations to varying neighborhood needs.¹⁷

This practice is not new to municipal policymakers, though most jurisdictions maintain the *principle* of providing the same set of public services and enforcing the

same regulations in all neighborhoods. However, since housing stock varies considerably as a municipality ages, it is not unreasonable to consider local policies that impose different housing codes on varying stock. In the past, makers of home loans (FHA, commercial and savings and loan banks), insurers of property, and owners of property have acted upon their individual expectations of the changing future of particular neighborhoods, escalating that change as they did so.¹⁸

However, if cities could show clearly how municipal services and codes will respond or are responding to neighborhoods undergoing racial or income transition, the anxieties of present or potential residents, anxieties that now lead to precipitous neighborhood change, might well be reduced. Clear public prescriptions of this kind could also lend support to citizens who seek financing for homes in transitional neighborhoods. Research in progress at Washington University¹⁹ should be useful in determining the services that public policies should stress for transitional areas. ■■

Footnotes

Section I

¹ The terms "SMSA," "metropolitan area," and "metropolitan St. Louis" are used interchangeably in this report.

² Based on data developed in the 1970 Census, two counties in Illinois (Clinton and Monroe) have since been added to the St. Louis SMSA. The data for this report, however, are based on the SMSA definition as of 1970.

³ Hereafter, "St. Louis" will refer to the city, while St. Louis County will be so designated.

⁴ These futures do not encompass all possible futures for the city. They include those futures that appeared both feasible and representative of the range of possibilities after initial data analysis.

Section II

¹ Institute for Urban and Regional Studies, *Urban Decay in St. Louis*, Washington University, St. Louis, Missouri, March 1972, p. 13.

² U.S. Department of Housing and Urban Development, *A Study of the Problems of Abandoned Housing*, Washington, D.C., November 1971; *Urban Decay in St. Louis*; Hugh Nourse and James Little, HUD Grant MOPD-4 (untitled), 1972.

³ The Center for Community Change and the National Urban League, *The National Survey of Housing Abandonment*, April 1971.

⁴ Alan M. Voorhees and Associates, Inc., *Technical Report on a Residential Blight Analysis for St. Louis, Missouri*, Washington, D.C., March 1969.

⁵ City of St. Louis, Ordinance 55681, Section 2126.1, approved July 15, 1970.

⁶ In January 1972, HUD declared a moratorium on federal funds for demolition. In addition, there was a cutback on Model Cities money that had been used for demolition. The city has now allocated \$1,400,000 from revenue-sharing money for continuation of a large-scale demolition effort. Despite removal of much of the oldest housing stock in the city, median rents fell from \$66 to \$57 and median housing values fell from \$12,000 to \$11,000 (in 1967 dollars) between 1960 and 1970.

⁷ Bankruptcy means that the city would no longer perform the existing level of services because of an inability to pay bills, meet payrolls, etc. This form of fiscal crisis is discussed in the Advisory Commission on Intergovernmental Relations, *City Financial Emergencies: The Intergovernmental Dimension* (forthcoming).

⁸ Throughout this report, lowered transportation costs refer to a decline in the marginal cost (time and/or dollar) of transportation faced by a firm or household.

⁹ For an analysis of this condition in San Jose, see Robert Levine's *San Jose, The Urban Crisis, and the Feds*, The Rand Corporation, P-4839, May 1972.

¹⁰ See Sec. II of Bibliography.

¹¹ R. A. Levine and D. Alesch, *Growth in San Jose: A Summary Policy Statement*, The Rand Corporation, R-1235-NSF, May 1973.

¹² For example, 74 percent of the city's housing stock was built before 1940. Dempster Holland, St. Louis University, gives a graphic presentation of the relationship between abandonment and those portions of several cities (including St. Louis) urbanized before 1900 in his "Population Change in Seven Midwestern Cities," 1973 (unpublished paper).

¹³ The methodological dimensions of the problem are explored in J. Rothenberg, F. Fisher, et al., "A Model of Metropolis," *Papers and Proceedings of the American Economic Review*, Vol. LXII, No. 2, March 1972. See especially the accompanying "Comments."

¹⁴ Those professors who have been Rand consultants during the research period are: Dempster Holland, George Wendel (St. Louis University); Peter Grandstaff, Hugh Nourse, Robert Markland, Donald Phares (University of Missouri, St. Louis); Charles Leven, James Little (Washington University).

¹⁵ In particular, at Rand's request, Dempster Holland and George Wendel did a small survey of industrial developers in the St. Louis SMSA, reported in their *Development of Industrial Parks*, The Rand Corporation, R-1358-NSF (forthcoming). Charles Leven and James Little have received a separate grant from the National Science Foundation to do a survey of movers within selected migration corridors of the SMSA, aimed at developing a model of residential preference, entitled, *A Study of Determinants of Inter-Neighborhood Mobility*, GI-37861-NSF.

¹⁶ HUD Grant MOPD-4, 1972.

¹⁷ The U.S. Census; Office of Business Economics, U.S. Department of Commerce; interviews carried out as part of the City Plan Commission's survey of residential blight; and vital statistics data furnished by the City's Department of Health.

¹⁸ Or it may change direction as well.

Section III

¹ E. Keeler and W. Rogers, *A Classification of Large American Urban Areas*. The Rand Corporation, R-1246-NSF, May 1973. See Appendix D therein for applications of the model to 124 urban areas, 59 urban areas with central cities over 200,000, and St. Louis.

² To estimate the effect of different St. Louis characteristics on the city's growth rate, values of the dependent variables for St. Louis were multiplied by the parameters estimated in the regression for 124 urban areas (Table 3).

³ For some other declining cities—e.g., Pittsburgh, Baltimore, and Newark—the model explained almost all the decline.

⁴ Taken from Peter A. Morrison, *San Jose and St. Louis in the 1960s: A Case Study of Changing Urban Populations*, The Rand Corporation, R-1313-NSF (forthcoming).

⁵ The city is divided into 26 health districts, which range in population from about 10,000 to 50,000.

⁶ Peter A. Morrison, *Small-Area Population Estimates for the City of St. Louis, 1960-1972, with a Model for Updating Them*, The Rand Corporation, R-1373-NSF (forthcoming).

⁷ Whereas Fig. 2 shows numerical increases, Fig. 3 shows percentage increases. The two figures are necessarily incompatible: in Fig. 2, there are many instances where the numerical base is very small and growing, whereas in Fig. 3 the base is typically large and shrinking.

⁸ Suburban blacks register a high overall rate of growth between 1960 and 1970 because their 1960 population base was miniscule (81,000).

⁹ For white women nationally, this age group declined from 26.4 percent to 23.5 percent of the total population between 1960 and 1970.

¹⁰ Because changes in fertility are difficult to forecast, a dramatic rise cannot be entirely ruled out, although it is highly unlikely. Foreseeable changes in mortality have no appreciable bearing on the population's replacement capacity.

¹¹ Morrison, *Small-Area Population Estimates for the City of St. Louis, 1970-1972, with a Model for Updating Them*, Table 2.

¹² Data shown in Fig. 4 indicate that the gross number of black migrants entering St. Louis between 1965 and 1970 was about the same as between 1955 and 1960—around 10,000. Thus, only an increase in gross out-migration could account for the change in net migration.

¹³ Specifically, we compared the 1969 unemployment experience of recent migrants (defined as persons entering St. Louis between 1965 and 1970) with that of long-term residents (natives and earlier migrants). The source of these data was the 1970 Census Public Use Sample.

¹⁴ *A Classification of Large American Urban Areas*.

¹⁵ Vigorous efforts to recruit business at the regional level are planned by the St. Louis Regional Commerce and Growth Association formed in 1971.

¹⁶ These results are reported fully in Levine and Alesch, *Growth in San Jose*.

¹⁷ Taken from C. Gardner and G. Payne, *An Economic Analysis of Central City Decline*, The Rand Corporation, R-1350-NSF (forthcoming).

¹⁸ *Ibid.*

¹⁹ These firms manage 50 percent of the area's industrial parks. A full description of the interview and analysis method used in the study, the sample of developers interviewed, and the full report of interview results are given in Holland and Wendel, *Development of Industrial Parks*.

²⁰ That is, in general, it remains expensive to buy abandoned property, clear it, and develop it or sell it to developers. Even with subsidized demolition (most of the clearance that has taken place is federally subsidized), the potential redeveloper must take into account the negative effects of surrounding, deteriorating neighborhoods.

²¹ It should be noted, however, that St. Louis is in the first year of a major crime reduction program sponsored by the U.S. Department of Justice.

²² *A Classification of Large American Urban Areas*.

²³ While any one of the hypotheses might account for all of the city's demographic change, they are not mutually exclusive. Indeed, it is unlikely that a single mechanism has been operating.

²⁴ An index was constructed that allows us to calculate an expected value for the 1960-1970 change in white and nonwhite city residents, allowing for city job losses (gains)—holding income constant. See Gardner and Payne, *An Economic Analysis of Central City Decline*, Appendix A.

²⁵ A reanalysis of selected parts of that survey is reported in Morrison, *San Jose and St. Louis in the 1960s*.

²⁶ A more detailed analysis of the reasons for residential choices will be available when C. Leven and J. Little publish their model of residential preference. See Sec. II, footnote 15, above.

²⁷ A full discussion of the data and regression coefficients on which the analysis in this subsection is based is reported in Morrison, *San Jose and St. Louis in the 1960s*.

²⁸ This analysis has been developed from several different sources. The "arbitrage model" of household locational decisions was first used in *Urban Decay in St. Louis* (Institute for Urban and Regional Studies, Washington University) to describe and explain events in the city's housing market. Comprehensive housing market data to test the model are being developed by Hugh Nourse and James Little under HUD grant MOPD-4. In this latter study, the arbitrage model will be tested in nine neighborhoods located in the city and in suburbs surrounding the city: University City, Wellston, Jennings, Normandy, River View Gardens, Bayden, Walnut Park, The Hill, Lafayette-Soulard. An application of the model to additional data developed for University City in response to Rand's request is reported in James Little, *Housing Market Behavior and Mobility Patterns in a Transitional Neighborhood*, Institute for Urban and Regional Studies, Washington University, St. Louis, June 1973.

²⁹ Calculations in this section are reported in J. Enns and P. deLeon, *The Effect of Highways upon Metropolitan Dispersion: St. Louis*, The Rand Corporation, P-5061, September 1973.

³⁰ Three of the links in this system (I-70, I-44, and I-55) are radial routes extending west from the Central Business District; the other two links (I-270 and I-244) make up the outer beltway that connects the northern and southern portions of St. Louis County. These routes were completed on the following dates: I-70 (July 1961), I-270 (June 1964), I-55 (July 1967), I-244 (November 1968), and I-44 (December 1972). Two other major arteries also were developed during the 1960s. State Highway 40 (the Daniel Boone Expressway) was substantially improved, while St. Louis County completed a portion of the inner beltway that connects Highway 40 with I-70.

³¹ The expenditure data were obtained from U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics*, Table SF-15, annual volumes 1965-1970. The data cover Jefferson, St. Charles, and St. Louis Counties and St. Louis City.

³² This was the only time span for which appropriate data were available.

³³ To test for the effects of decreasing travel time to the CBD, a simple regression model was used in which absolute changes in industrial employment density formed the dependent variable; the model's explanatory variables consist of absolute change in travel time to the CBD plus some initial density variables to allow for differing levels of land use between regions at the start of the time period. Traffic zone data on population, employment, and CBD travel time for the Missouri portion of the SMSA were obtained for two years (1965 and 1970) from the Missouri State Highway Commission; the observations used to estimate the regression equations were then formed by calculating the changes in density and travel time for each traffic zone. We had 250 observations (traffic zones) available for the regression analysis.

³⁴ This conclusion is partially supported with regard to industrial employment by an inspection of the pattern of industrial park development that occurred during the 1960-1970 period. Of the 25 parks developed during the decade in North St. Louis County, 13 were opened after 1965. Data on opening dates of industrial parks were obtained from Holland and Wendel, *Development of Industrial Parks*.

³⁵ The data used represented actual employment between 1965 and 1970 (not jobs available). This result is thus affected to some unknown degree by the level of unemployment prevailing in 1965 and 1970.

³⁶ Material in this section is taken from R. Slitor, "Tax Effects on Urban Growth in Three Cities: San Jose, St. Louis, and Seattle" (unpublished Rand document).

³⁷ The others are Boston, San Francisco, Pittsburgh, and Washington (we exclude the individual boroughs of New York from this comparison).

³⁸ See Table 10.

³⁹ Dempster Holland's unpublished paper illustrates, for several older cities, the strong relationship between the proportion of the city urbanized before 1900 and the proportion of the city with the highest rates of abandonment. Of the cities compared (Cincinnati, Chicago, Pittsburgh, Columbus, Detroit, Cleveland, St. Louis), St. Louis had the largest portion of its land area urbanized before 1900.

⁴⁰ The calculation appears in Morrison, *San Jose and St. Louis in the 1960s*.

⁴¹ A discussion of this test appears in Cyrus J. Gardner, *Banking Regulation and Urban Growth*, The Rand Corporation, P-5057, August 1973.

⁴² William Sharpe, "Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk," *Journal of Finance*, Vol. 19, No. 3, September 1964, p. 425.

⁴³ Unit-rule banking involves a state regulation that forbids the formation of branch banks. Both Missouri and Illinois have unit-rule banking. For an empirical study showing that creation of new banks is retarded more under unit-rule banking regulations than under regulations that allow branch banking, see R. Pakonen, "The Differential Effect of Branch Law Regulation on Commercial Bank Entry," Ph.D. dissertation, Washington State University, Pullman, Washington, 1971.

Section IV

¹ *Annual Report of Comptroller, City of St. Louis*, 1971, and conversation with Mayor John Poelker, June 22, 1972.

² These estimates were made by Dempster Holland of St. Louis University and appear in Holland and Wendel, *Development of Industrial Parks*.

³ The city levies a 1-percent tax on salaries of residents wherever they work and employees wherever they live, which accounts for approximately one-third of city revenues.

⁴ Jobs were broken down by industrial classification and average salary for 1970 (according to current percentages in industrial categories). Average salaries for 1980 and 1990 were then computed, assuming a 5-percent increase compounded annually, using current wage guidelines.

⁵ The current dispute about airport location, involving expansion of Lambert Field versus construction of a new airport in Illinois, is less clear-cut. Lambert exists, and much of what may be attracted to a major airport site has already been attracted. However, Missouri locations to the west and southwest of the city were suggested several years ago, and could be revived as candidates for new airport location.

⁶ *St. Louis Development Program (A Summary)*, St. Louis City Plan Commission, January 1973.

⁷ *Ibid.*, pp. 33-36.

⁸ Figures as listed in various issues of *St. Louis Commerce*. These figures do not include construction by churches, schools, housing developments, and government. Also, they exclude listed investments where no dollar value was shown or where locations were not specifically designated as being in or not in the city of St. Louis (e.g., "ten restaurants, various locations," or "Mississippi River Transmission Corporation—pipeline expansion").

⁹ Institute for Urban and Regional Studies, *Urban Decay in St. Louis*, p. 35.

¹⁰ *The New York Times*, October 15, 1972.

¹¹ This may not be true of all those functions in all cities. Finance and communications may continue to cluster in New York to a substantial degree. But our point is illustrated by the very different type of sprawling central city represented by San Jose.

¹² Including public services such as police, fire, sanitation, library facilities, and schools, as well as public streets, parks, hospitals, auditoriums, etc.

¹³ Brentwood is down 12 percent; Wellston is down 11 percent.

¹⁴ This initial evidence comes from early findings by Charles Leven and James Little, as reported in Little, *Housing Market Behavior and Mobility Patterns in a Transitional Neighborhood*.

¹⁵ This is being done with part of the revenues from new development in the Minneapolis-St. Paul metropolitan area.

¹⁶ Consideration of the implications of this alternative should be aided by research in progress on the earnings tax under the direction of Norton Long at the University of Missouri, St. Louis.

¹⁷ Actually, there are several ways to accomplish this. One that considers jurisdictional changes within the city is discussed in Gardner and Payne, *An Economic Analysis of Central City Decline*. Other suggestions for how this might be done appear in Center for Urban Programs, *Recommendations on Legal-Administrative Policies for the City of St. Louis*, St. Louis University, 1971.

¹⁸ See Institute for Urban and Regional Studies, *Urban Decay in St. Louis*.

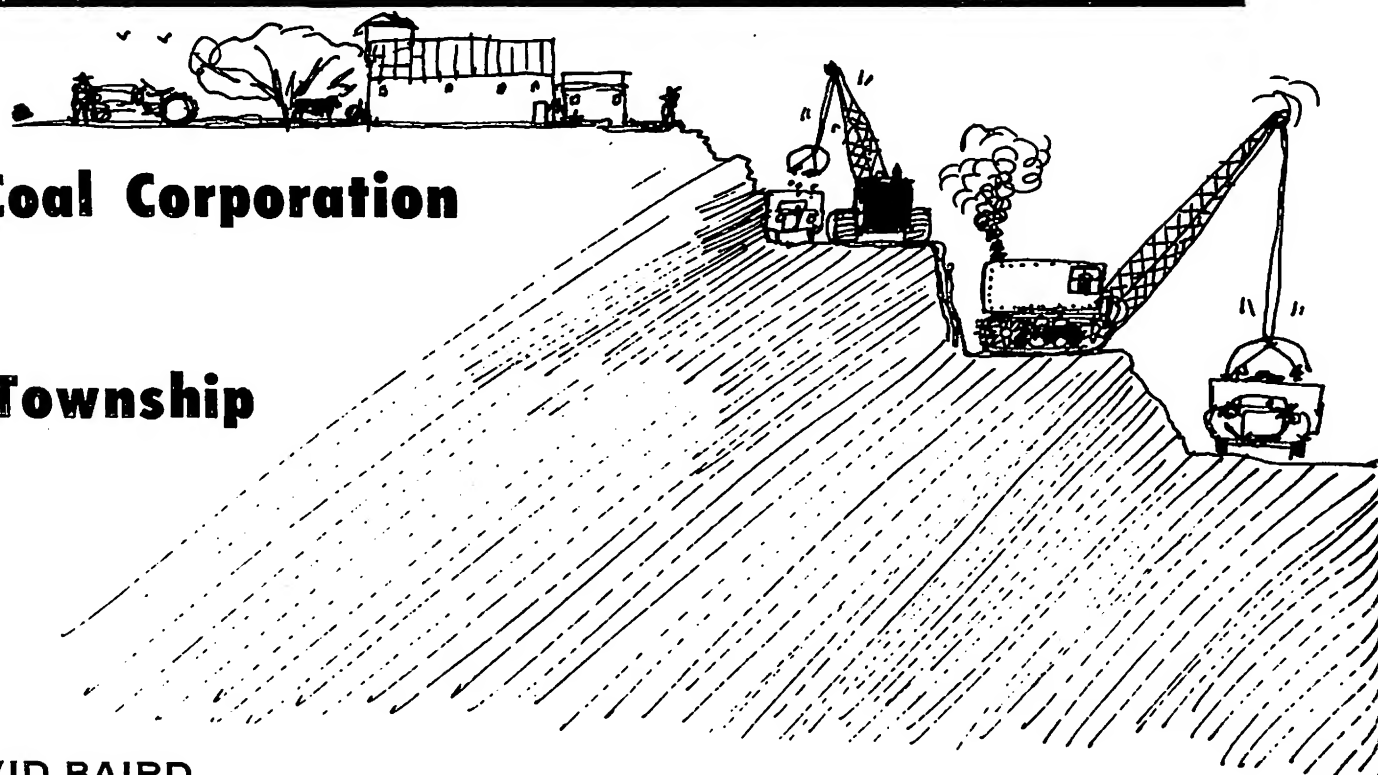
¹⁹ Leven and Little's Grant GI-37861-NSF, A Study of Determinants of Inter-Neighborhood Mobility.

■ ■

Amax Coal Corporation

VS

Catlin Township



BY W. DAVID BAIRD

Can a midwestern community of 2,500 population prevent a gigantic coal-mining company from strip mining its farmland during the nation's most serious fuel shortages in decades? Residents of Catlin Township in East-Central Illinois are trying.

Nestled in the heart of America's richest farmland, Catlin citizens say that strip mining their land would be ecologically and economically unsound. They also feel that mining could contribute to future food shortages. And their unswerving beliefs are so strong that they have organized a non-profit group called the Association for the Preservation of Catlin Township (APCT).

No mining has been done here yet. But citizens fear that unless legislation preventing the mining is soon enacted, operations could begin within months. So this tiny community has squared off against its opponent — American Metals Climax.

Amax Coal Corporation is based in New York City. It is the giant in this modern day battle of David and Goliath. Meadowlark Farms, a subsidiary company of Amax, owns 4,500 acres of farmland in this Illinois community and currently has the land under cultivation. Amax has taken core samples of the soil and says it intends to mine 7,000 acres. This represents nearly half the acreage in the township.

John Tierney, a 51-year-old retired Internal Revenue officer, is president of APCT. Robert Auler, a Champaign, Illinois attorney, has been retained by the group for legal counsel.

Both Tierney and Auler have testified before the Senate Interior and Insular Affairs Committee in Washington on behalf of APCT. Tierney's testimony, in part, as it appears in the Congressional Record:

"The people are very much concerned about Amax Coal Corporation's planned strip mine which would surround the village of Catlin on the north, east and west, leaving it virtually an island surrounded by waste and devastation. The initial mine would comprise 7,000 acres. 5,000 acres of

this land is some of the most highly productive farmland in the world, exceeding 140 bushels of corn and 50 bushels of soybeans to the acre. Much of the land sought to be purchased has produced 130 bushels of corn to the acre, according to University of Illinois surveys. . . ."

In his testimony, Tierney states that Catlin Township has experienced the greatest percentage of population growth in Eastern Illinois over any other townships prior to the 1970 census. He says the quiet surroundings of this prairie community which attracted many to the area will be replaced by the noise of a strip mining operation.

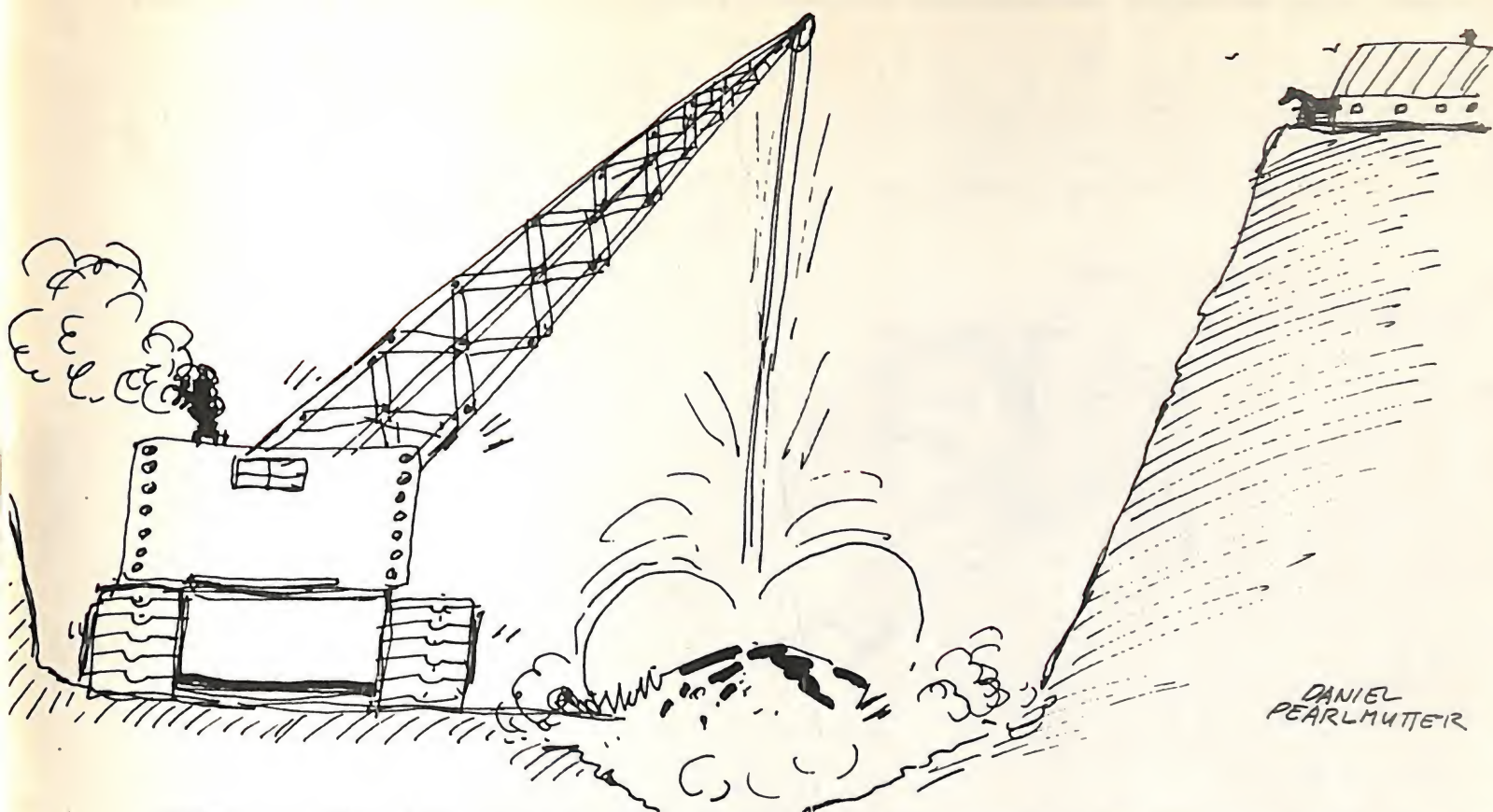
"Why should the beauty of our natural resources such as rows of corn, beans, wheat, timber, and wildlife native to the area be replaced by the sight of towering booms of drag lines, huge trenches, and other equipment incidental to surface mining?"

Present Illinois law doesn't require strip mined land to be restored. The law requires only that land be reclaimed. Tierney says, "This farmland cannot possibly produce the crop yields we now have . . . How can anyone justify the sacrifice of a natural resource that will serve mankind probably for eternity for a resource that would be gone forever? Surely there are ample deposits of coal elsewhere, the mining of which would not destroy as much of the value of our nation and our world."

In his testimony, Auler cites weaknesses in present Illinois law. "Our law provides only for reclamation which can include slopes of as much as 15 percent or up to 30 percent if the land is to be turned over to forest, recreational, or wildlife use."

Auler goes on to say there is no requirement that the rare and unique Central Illinois topsoil be saved and re-used. He suggests that mining companies be required to obtain licenses and says this would encourage bargaining with opponents of mining (such as APCT) which could resolve differences.

Senator Charles Percy (R-Ill.) is sympathetic with Catlin



residents as evidenced by remarks in a letter he wrote to Tierney. "The grievances aired in these statements (Senate testimony) point out legitimate grievances, even traumas, faced by the residents of several communities across the country. . . . I have written to the president of Amax Coal Corporation expressing my hope that a mutually satisfactory resolution of these difficulties can be reached through continued productive dialogue," Percy writes.

Catlin Township is in Vermilion County and according to Dr. M. E. Hopkins of the Illinois State Geological Survey, coal reserves in this county total two-and-one-half-billion tons. Hopkins estimates that 80 percent of this amount is recoverable. "Vermilion County is a likely area for potential development by mining companies in the near future," he says. Hopkins says he doesn't know how much of the county's coal is the low sulfur content type. The majority of Illinois coal has a high sulfur content, the burning of which contributes greatly to air pollution.

Illinois Governor Daniel Walker, in his 1974 state-of-the-state message proposes a \$100-million energy conservation bond issue to make the state's high sulfur coal "economically usable and consistent with clean air standards."

The governor charges that federal energy conservation efforts have been "narrow, punitive and confusing." He has asked the state legislature to take the lead in Illinois' energy conservation and coal research by getting an experimental \$1-billion coal gasification plant for the state. Walker says his proposals would "open up enormous and new markets for Illinois coal not only in Illinois but throughout the country."

How does APCT feel about its fight in view of the nation's energy crisis? Tierney says, "There's no point in creating a new problem (strip mining) in order to solve another (fuel shortage)."

As for the economic impact on the area and a future food shortage, Tierney cites figures from the November, 1973 issue of *Illinois Farm Bureau Magazine*: During 1973,

farm exports from the state totaled more than \$1,311,000,000. This represents a 60-percent increase over 1972," Tierney says. According to the farm magazine report, corn and soybeans were the two leading export commodities; also the two leading crops produced in Catlin Township.

The problem of strip mining isn't unique to East Central Illinois. The situation has parallels in many other areas of the U.S. The difference is that Catlin residents aren't being intimidated by big business. As APCT's attorney put it during his senate testimony, "We cannot allow a situation to exist wherein the residents of places like Catlin must organize virtual vigilante committees to try to protect their property and way of life."

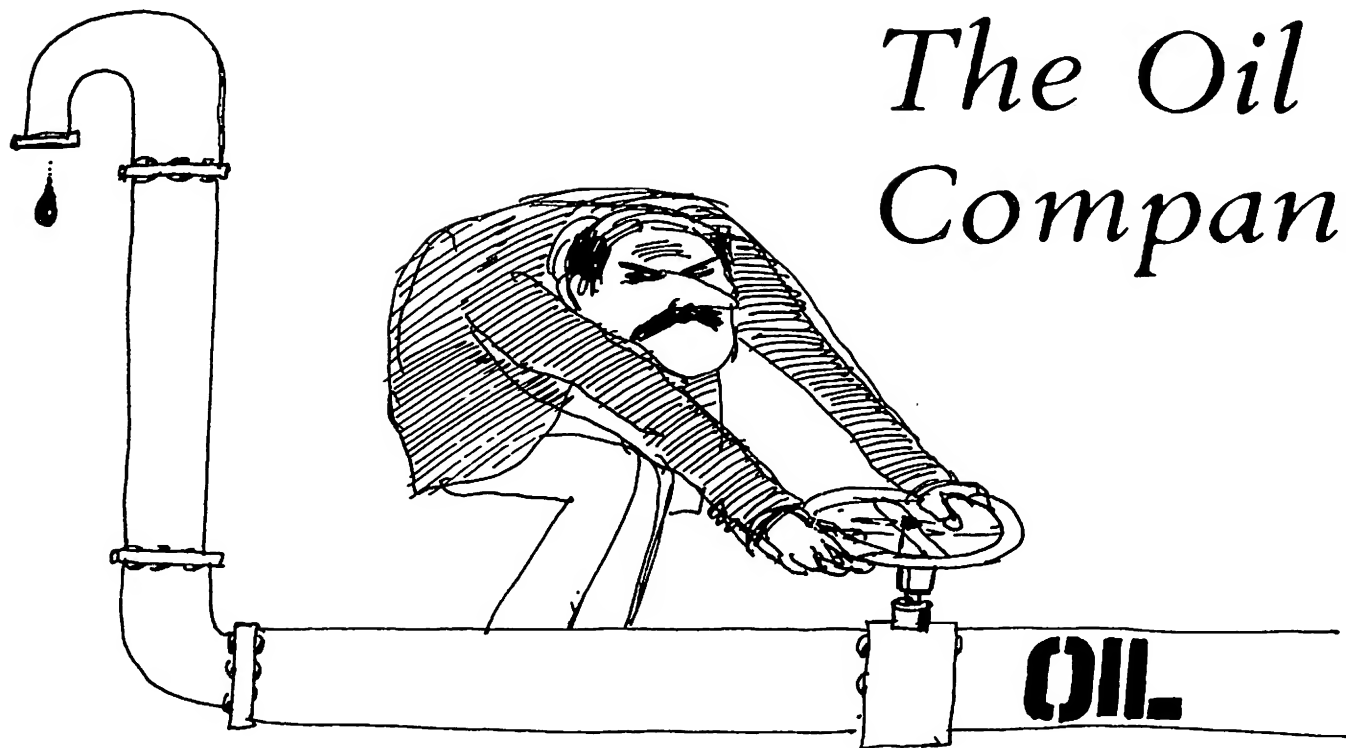
Catlin residents are attacking their problem on many fronts. But the political arena seems to be where they're having the most success.

Tierney is enthused about results of the senate testimony. "We're definitely going to get some kind of legislation," he says. He says that many of the points made in the testimony are included in a revised version of a surface-mining control bill passed by the senate in October, 1973. "Here we have a voice. We don't have anything in the present Illinois law. It's strictly a one-way proposition between the coal companies and the Department of Mines and Minerals," Tierney says.

Even though APCT has the endorsement of such groups as the National Audubon Society and the Sierra Club, the question still persists: Will Catlin Township remain an area of bountiful farmland or will it be reduced to wasteland?

W. David Baird is a machinist. He has written for newspapers, radio and television stations, and wire services.

Accused: The Oil Companies



BY JOHN SWOMLEY, JR.

DANIEL
PEARLUTTER

All fuel resources are finite. At the present growth rate of consumption both oil and natural gas will be exhausted sometime in the next 50 to 100 years. Even coal which is now abundant will not last indefinitely. The immediate shortage in the U.S., however, is definitely artificial, a result of the collusion of the big oil companies and their allies in the Nixon Administration.

Oil Import Quotas

The oil companies influenced the Eisenhower-Nixon Administration to adopt, by executive order in 1959, oil import quotas intended to keep the then cheaper foreign oil from competing with the domestic production. They wanted to take advantage of high U.S. crude oil prices.

"President Nixon's Cabinet Task Force on Oil Import Control reported in 1970 that, but for these import restrictions, the U.S. domestic wellhead price for crude oil — \$3 per barrel — would decline, over time, to around \$2 per barrel." The same report indicated "that American consumers were paying \$5 billion more each year for oil products than they would have to pay if imports were not restricted. Despite his pronouncements against inflation, President Nixon rejected the recommendations of his own task force for abandoning the oil import quota system." (Senator Fred R. Harris, "Oil, Capitalism Betrayed in Its Own Camp," *The Progressive*, April, 1973)

A brief look at the profits of one major oil company, and its cost of production will reveal why the oil industry has insisted on import quotas.

Cost of Gasoline

Standard Oil of California increased its first quarter

profits from \$123 million in 1972 to \$152.8 million in the same three months in 1973. Most of California Standard's crude oil comes from wells in California. "It costs the company roughly 75 cents to draw an average barrel of crude oil from its California wells," says Christopher Rand, a former Standard executive. Robert Custer, a process engineer with Bechtel Corporation, one of Standard's contractors, adds that the company then pays another 50 cents to refine a 42 gallon barrel of gasoline. This means the company can produce and refine 42 gallons of gas for \$1.25 or about three cents a gallon." (Roger Rapoport, *National Catholic Reporter*, June 8, 1973)

The gasoline is then "marked up as much as 800 percent and wholesaled for 20 to 24 cents a gallon." The dealer got five or six cents additional and the 13 cents tax brought the price in early 1973 to 38 to 43 cents a gallon. Since about 70 percent of its crude oil comes from these inexpensive sources of about 75 cents a barrel only about 30 percent was imported at \$2.25 a barrel. Christopher Rand asserted that "By keeping imports and refinery capacity below demand, Standard and other major companies helped to create an artificial petroleum shortage. This turned out to be an excellent way to pressure the government into making lucrative concessions to the oil companies."

The big oil companies not only profited from low domestic oil costs but also wanted to avoid any present or future U.S. legal restrictions. A number of them decided not to increase refinery capacity in the U.S. but to build new refineries in the Caribbean where taxes are lower, where they could avoid using U.S. owned ships for transportation and where they could shift gasoline to Europe or

other higher price areas." (Rep. Les Aspin, "Big Oils Latest Gimmick," *The Nation*, June 18, 1973)

Deception By Oil Companies

When the Office of Emergency Preparedness asked the oil companies if there were adequate supplies of heating oil for the winter of 1972-73 the major oil companies gave assurances. George Lincoln, the O.E.P. Director told a Senate subcommittee: "I have been assured by several major suppliers that there should be an adequate supply of No. 2 oil during the coming winter. The industry has the necessary refining capacity and necessary feed stocks to insure adequate supply. (Ibid.)

The oil companies not only deceived the O.E.P. with the result that "thousands of homes, schools, farms and factories were short of fuel oil" in December, 1972, but also "consciously underproduced fuel oil during the fall and early winter of 1972." (Ibid.) During the fall of 1972 the O.E.P. and the Interior Department asked the oil companies to refine oil at full capacity. "The response of the major oil companies . . . was to import only one-third of the additional crude oil the President had authorized and to run most of their refineries below capacity for the rest of the year." A staff study for the Senate Permanent Investigation Subcommittee concluded, "This was the beginning of the first peacetime petroleum shortage in the United States." (Bret Hume, "The Case Against Big Oil," *The New York Times Magazine*, December 9, 1973)

The big oil companies concentrated on refining gasoline rather than heating oil because it was more profitable during the Nixon Phase II price controls. (Lawrence Stern, "Oil Our Private Government," *The Progressive*, April, 1973) David Freeman, Director of the Ford Foundation's Energy Policy project and a former White House energy adviser, said of the 1972 fuel situation in an address to the Consumer Federation of America: "Thus far, the energy crisis is a self-inflicted wound — three years ago the President's own Cabinet task force recommended that he scrap the present oil import quota system. The winter's so called 'energy crisis' was manufactured right here in Washington. It could have been averted with a stroke of the President's pen." (Ibid.)

The major oil companies "also exported approximately 200,000 barrels of fuel oil during December, 1972, and January, 1973," and during February, 1973 "7.2 million barrels of refined petroleum products were shipped from the United States. During the first four months of 1973, 1.5 million barrels of propane gas, which today is desperately needed by American farmers to plant, harvest and dry their crops, were exported." (Aspin cited above)

When the serious fuel oil shortage developed in the winter of 1972-73 refinery production was shifted to heating oil "so that shortages of gasoline in the summer of 1973 became inevitable." (Hume cited above)

Senator Adlai Stevenson (D-Ill.) told plastics manufacturers December 10, 1973 that major oil and natural gas companies have been "holding back production in anticipation of higher prices." He indicated that the oil industry has been keeping 1,000 off-shore wells in the Gulf of Mexico out of production deliberately. As of 11 months ago about 1,000 oil and natural gas wells had been drilled and capped on 838,000 acres of federally leased land beneath the Gulf, Stevenson said. (*Kansas City Times*, December 13, 1973)

Reasons For Artificial Shortage

There are basically four reasons for the artificial shortage created by the oil companies. The first is profits. During the first nine months of 1973 the profits of Exxon (Standard Oil of New Jersey) rose 59.4 percent compared to the first nine months of 1972. Mobil went up 38.4%, Texaco 34.8%, Standard Oil of California 39.7%, Standard Oil of Ohio

92.6%, and Gulf Oil 437.7%. (AFL-CIO Department of Research, *AFL-CIO News*, November 24, 1973)

Representative Les Aspin wrote that "the allegedly limited supplies are an opportunity to increase prices. Every time gasoline goes up a penny it costs American consumers \$1 billion. Since the twenty-three major oil companies produce, refine, market and retail much of the gasoline in the United States, most of any price increase goes to them. — In total, oil industry profits skyrocketed an impressive \$500 million in the first quarter of 1973." (Aspin cited above)

End of Competition

The second major reason for the artificial shortage was the big oil companies' decision to drive their only source of competition, the 6,600 independent stations with their lower priced gas, out of business. A Federal Trade Commission study asserts that "The majors cannot raise gasoline price margins in markets where there is increasing entry and expansion by price-competing independents and in this sense the independents serve to prevent out of control price increases." The FTC, wrote James Ridgeway in the October, 1973 *Ramparts* "has documented two cases, one against Phillips Petroleum and the other against Ohio Standard, that show price rigging to control gasoline markets."

The big oil companies by controlling the production of crude oil can cut off oil to independent refineries and by controlling most of the refineries can cut off the supply of gasoline to independents. The artificial shortage made it possible for them to stop selling to independents something they had not dared to do before.

In order to get rid of the independent gas stations the major oil companies felt it necessary first to get rid of Lewis Flagg, the chairman of the Oil Import / Appeals Board. Roger C. Morton, Secretary of the Department of Interior, which has long been a captive of the oil industry, removed Flagg from his job, February 9, 1973. Senator Thomas J. McIntyre (D-N.H.) wrote: "The Chairman of the Board, Mr. Lewis Flagg, has been the subject of criticism from certain segments of the petroleum industry for some time over the performance and manner in which the Board operates. The major integrated oil companies have for several years complained that the Oil Import / Appeals Board was too liberal in its granting of hardship quota allocations to the independent segments of the oil industry."

"The recent decision to remove Mr. Flagg as Chairman of the Board is, in my opinion, a direct result of his continuing attempts to maintain within the petroleum industry the ability of small and medium sized businesses to prosper and compete with their larger rivals." (Stern cited above)

Flagg was removed "less than a week after he granted a hardship allocation of 242 million gallons of gasoline to some three dozen small distributors who, unlike the big companies, had no access to foreign supplies or to refinery capacity." (Ibid.)

In New York the State Attorney General Louis J. Lefkowitz has filed suit against seven major oil firms charging that in areas where there was substantial competition from independents the companies charged an "official" wholesale price, but then granted rebates to favored stations. The resulting edge given to the major stations tended to force the independents to shut down. Essentially the same accusations have been made in suits filed by the Federal Trade Commission and the states of Connecticut and Florida. (*New York Times*, December 9, 1973)

Opposition to Environmental Protection

The third objective of the big oil companies was to provide a climate of public opinion so that they could

weaken or destroy the environmental standards adopted by Congress. They succeeded in stampeding Congress into clearing the way for constructing a pipeline across Alaska at the expense of Alaska's wilderness although a Canadian pipeline would be less damaging and less expensive. The oil companies' objection to the Canadian pipeline is that it will transport oil and natural gas to the Mid-West whereas the Alaska pipeline is intended to make possible more profitable sales to Japan (Robert Sherrill, "The Trans-Alaska Pipeline," *The Nation*, June 11, 1973).

In addition to securing an OK for the Alaskan pipeline the oil companies "persuaded" the Interior Department to open the Virgin section of the Continental shelf in the Gulf of Mexico to offshore drilling. Each tract leased by the big oil companies covered 5,750 acres. (*Kansas City Times*, December 21, 1973)

The major oil companies spent \$3 million in a propaganda campaign on TV and newspapers in 1972 "to persuade us that if we would only let them drill and pipe anywhere they want, with no consideration for the environment, we wouldn't have trouble getting fuel." (Sherrill cited above)

Conoco in an October, 1973 ad which was also mailed to many public opinion forming groups listed as a cause of the shortage "the problem of adequate return on investment." The ad emphasized that "a better balance is needed between environmental goals and energy requirements. This will mean some trade-offs in order to build the Alaskan pipeline and new refineries and offshore exploration."

Natural Gas

The fourth and probably the most important objective of the big oil companies is to eliminate the regulation of the price of natural gas. Natural gas is largely produced by the oil companies. "The alleged natural gas shortage is at the crux of the energy crisis, for it is the hinge on which the oil companies base future fuel policy. That policy is fairly simple: the gas shortage can be used to force the Federal Power Commission to increase the price of natural gas, then as a lever in the Congress to deregulate its price altogether. As the price is forced upward, it becomes economically feasible in the industry's terms to introduce synthetic gas made from coal. The oil companies have been buying up coal companies and amassing reserves for the last 10 years." (James Ridgeway, "Notes on the Energy Crisis," *Ramparts*, October, 1973)

The oil industry has repeatedly warned that prices were artificially low for natural gas, that unless prices were raised and Federal regulation ended there would be an energy crisis because there would be no economic incentive to seek new sources. The Federal Power Commission instead of making a thorough independent audit of natural gas reserves simply took the industry's estimates, agreed that there was a shortage and raised prices for offshore Louisiana gas "from 18½ cents per thousand cubic feet (mcf) to 26 cents per mcf. Recent statistics for the year 1972 suggest the price increase had a distinct effect: the opposite of the intended one. More successful gas wells were drilled in 1972, but strangely gas reserves continued to decline."

Nevertheless, in 1973 the Federal Power Commission granted a price increase for natural gas from 26 to 45 cents per mcf. In addition, the FPC has already approved in one case the passing along to the public of the high prices involved in converting other energy resources into synthetic natural gas. This will enable the big oil companies to make extra profits from forcing up the price of coal and still more from selling the gas synthesized from coal. (Ibid.)

It is evident from the foregoing that the oil shortage in the United States was caused by the large oil companies yet the public impression which has been carefully nurtured by

Arab countries and the American interests is that the Arabs are withholding oil from the U.S. because of U.S. aid to Israel. "As of the week of November 20, oil from Arab ports was still being unloaded in the United States. If there was an instant fuel shortage, it had nothing to do with the Arab embargo." (Robert Sommer, "Ecology and the Energy Shortage," *The Nation*, December 10, 1973)

The Arab Embargo

Only about five to six percent of total U.S. oil consumption comes from Arab countries. Most oil imports came from Venezuela, Canada, and Nigeria. The chief impact of the Arab embargo is felt in other countries that have very little influence on U.S. policy toward Israel.

Actually the Arab embargo has almost no connection with the hostility between Israel and the Arab nations. Well before the Arab invasion of Israel in the fall of 1973 the Arab rulers realized they had so much money from oil revenues that they didn't know how to use it or invest it. The August 6, 1973 *U.S. News and World Report* said: "Oil revenues are flooding government treasures and banks in many Mideast countries with far more money than can be spent on internal development. In just five years, the annual flow of Arab oil revenues — excluding Iran — has more than doubled, jumping from 4.4 billion dollars to over 10 billion."

The Christian Science Monitor of July 16, 1973 quoted the President of Saudi Arabia's Central Planning Organization, Hisham Nazir, as saying "We can absorb just so much money and no more. Tied to this is — the accumulation of oil reserves. It is better to have reserves in the ground than a lot of depreciating dollars in hand."

Earlier in July a Saudi Arabian cabinet minister said, "We have found that the maximum revenue we can usefully absorb is brought in by production of seven million barrels a day. Anything we produce over that harms our own interests by keeping prices down and by disturbing our economic balance." ("Oil and U.S. Mideast Policy," Anti-Defamation League Background Paper, p. 10)

Henry Tanner in a dispatch from Cairo appearing in the *New York Times* of August 31, 1973 said: "At a time of steep inflation and after successive devaluations of the dollar, the Arab oil countries would be stupid to agree to a rapid increase in production when by keeping more of their oil in the ground they can expect far higher prices. In addition they can stretch the limited time — two or three generations — that oil would last at the current rate of exploration."

"The argument continues that at the present rate, oil revenue is so great that even with the greatest ingenuity only a fraction of it can be invested for development in the producing countries or even the whole Arab world."

The Arab decision to cut down on oil production for economic reasons was subsequently adapted to the political situation after the Arabs failed to subdue Israel and regain the land taken in the 1967 war. There is no season to believe that any settlement of the Arab-Israeli conflict will persuade the Arabs to produce large quantities of oil contrary to their best economic interests.

There are a number of solutions. Ultimately, the only reasonable one is public ownership of all the energy resources required to run American industry, heat homes, and provide transportation. 200 million Americans should not let two dozen oil companies control and jeopardize their economic future. ■■

John Swomley, Jr. is a member of the national board of the American Civil Liberties Union and professor of social ethics at St. Paul School of Theology, Kansas City.

POEMS / John Knoepfle

8 Jan

this day the baptist the
passionate the uninhibited
his soul lofting a rainbow
and the air warming snow melting
a cool thaw I am on delmar boulevard
walking the morning it is
ten miles east to the river
low billows of white cloud
tell me where it is and here
the flat wall of the temple the
orthodox church with its
copper blue dome shaggy with snow
the crazy masonic facade and these
gates paired with lions
top heavy and leaning

the morning was streaked with light the wind
worrying small fires and there were bells
one by one adrift in the dawn
I smoothed the blankets peggy
wandering her dream she was smiling

I am the man in my house
who washes the soap my house is a cavern
for children and my steps
the dooms of king dunstan sound
on the bedroom floor
now I walk toward home wrapped in myself
last night in my sleep the bear
lunged for my death again
and I killed him with six blows my strength
a hammering piston of fear

9 Jan

the house is old
it has seen many winds
felt many guests
it will not go down
easily it is kindly
it has known cousins
and candles at the supper
voices sometimes those
who spoke far down in their truth
many children I think
and their good friends
the lazy windowsill cats
a dog who did nothing
who went with tobias

28 Jan

old valleys the incessant
flowers pensive
tides of its women the motions
of wounds what is
this earth a lantern
swung out in space
a luminous voice
commons of the living and the dead
a soft and blue lovely light



John Knoepfle



Harry Cargas

What is poetry?

Harry Cargas interviews John Knoepfle

CARGAS: *What is poetry?*

KNOEPFLE: I guess that is like asking an electrician to define electricity. I suppose the easiest way to come at it is to say that poetry is word structure, something on the page, mostly, today. But a structure without a vibrant informing voice, for me, is just a museum piece, a chair too weak for anybody to sit on, but surely a chair because it looks like one. The strange business of the voice is the exciting thing, the voice provides the energy, marks one man's crude but lively effort off from another's dead lustre, body laid out in a box. Then, too, poetry comes down to the man, it is a man's stance. His total work is something special. I like to discover the way he looks at the world around him, the way he uses words to tell us what he knows.

That idea of structure is Aristotelian, of course, a good position for a working writer to take, especially when he is just beginning. It helps to protect him from early wipeouts by well intentioned moralizers who condescend to trouble themselves over his best efforts. They make him feel that he is guilty of some outrage against humanity. Pragmatic Platonists, they say: there is something false about art; therefore drop all this, be alert, get a good job and provide for yourself.

CARGAS: *How do you connect with the notion of poetry as prophecy?*

KNOEPFLE: I think there may be people around who have a special gift for prophetic insight. You know, the inspired Old Testament poets or a Blake with incredible psychic powers. But, I guess, for most contemporary poets it's just a matter of being reflective, nervous to the constant shifts and changes of the times and also curious about things overlooked or lost. In these respects a writer is not far away from the plumber or the barber, and it is possible he hasn't more native wit than the house painter (have you ever heard a bevy of farmers talking about the price of an acre?), but what sets him apart from these people is the fact that he is dedicated to the articulation of what he learns and he is willing to puzzle through a poem, say, eight or nine years before he is willing to let it go.

My sense of the brutality that underpins society dates back to the early fifties. That was felt as a serene time as I remember, and I was writing poems about hate and heads being lopped off. It's hard to believe, but that brutality wasn't impressed on me during the war (WW II): it came to me when I was putting old time rivermen on tape, getting their recollections. Some of the men took the hard labor, the use of clubs, the fighting, more or less for granted, but

others were uneasy, looking back, remembering, say, the way the roustabouts were treated or the Italian workgangs when the dams were being put in on the Ohio — the foreman went into the coffer dam with a pick handle "to make 'em go" — anyway, that was close to home, see, and that is what I tried to write about as honestly as I could. Now in the sixties that brutality became overt and it took down some of the most remarkable men of our times. So you could say I was prophetic, but what happened was that my guess was lucky (unhappily). Probably this is true of most writers. Also, if your poems tend to deal in situations where justice is involved, unless there is some insane counter-reaction, the fathering strength is toward some kind of modification of this social disorder, so that in retrospect you might appear to be some kind of forerunner when in reality you were, in some ways, a fellow who carried a spear in a much more ambitious and complicated scene.

CARGAS: *Is it kind of the poet's vocation to be on the right wavelength?*

KNOEPFLE: No, I think the poet has to find out what it is he can do the best. You know, there are a lot of good people who want to make religious statements and they haven't got an aptitude for this, keep turning out poems overpowered by David or the liturgy, sort of like undigested pizzas, and there are others with a compulsion to cry out against the horrors of the times, but, and they are often good craftsmen, they suddenly become impatient to get the statement down, and their poems come over shrill. I don't want to hold someone else to a mode just because I am personally interested in it. If a man writes best about himself, that is probably where his genius is — I'd rather see what he says about some aspect of his own personality than something I already know about the troubles in Cambodia. So, as for the wavelength, there isn't a right one in any case. All you can do is go along as best you can, maturing your poems slowly as well as you can. Anything else pulls you away from the making of the poems, turns you into a platform lecturer of some kind or an agent specializing in the growth of your own reputation, and things tend to get a little sick when you go too far into that country.

CARGAS: *Do you find a political dimension in poetry?*

KNOEPFLE: If you mean my own, yes. But it's something that perhaps enters in the back gate. Much of my work takes off from the near event in one way or another, but in the process of shaping the poem the event is erased or moved far into the background. I often start because I'm angry about some event, but as I keep working and working the poem, then it grows richer, and I see that there are

maybe contradictory truths involved in it, and the poem takes its own head then, It becomes a different kind of thing, it often ends in a way that I did not expect and I am not always pleased with what I have, but I think it is right and am willing to let it go. "Morning in the Museum" is an example. It is really my response to President Johnson's intervention in the affairs of the Dominican Republic, but I don't think a reader could know that without a prayer. Other poems derive from contact points where something that disturbs me as an individual also upsets the public consciousness, eerie and frightening moments, often. "Funeral of Christ" is worked from such a contact. In that poem the sense of Christ as a middle class figure, so much in decline today, which touches my parochial soul, is caught in terms of our recent national funerals. There is a personal and a public union here from which the poem is worked.

CARGAS: *That sounds complicated. How do you feel about the product of the poet, poetry? Is it for everyone?*

KNOEPFLE: Oh, it surely is for everyone who wants it and who will take the trouble to confront it, poetry, that is. But a lot of people don't want to do that. They feel that if they do not understand a poem, the author is performing some slight of hand on them, and they resent that, they feel they've been taken, and in order to get around feeling inadequate in the face of the work, they're reaction is to condemn it, put it down, you know. Well, this is not hard to understand. People are very shaken up today. They find all sorts of Euclidian ways of making themselves secure, and then when an author shatters their sense of time or place or grammar, they become uneasy or enraged. Of course, I've made some straw men here. People are more complex than I have allowed. In any case, I always assume that everybody thinks the same way I do on a given subject. I know in reality this is not possible, but it is one of my house rules as a writer. I would like to be able to speak for everyone and vanish from myself in the process.

CARGAS: *Is your work being understood to your satisfaction? I suppose that's not exactly possible, but to some degree?*

KNOEPFLE: There is a difference, I think between, being understood and being known, It is possible to be quite well known and hardly understood. Going to a library to thumb the magazines for reviews or mention of your work is like visiting the cemetery. Everyone else has a name on the tombstones, but your name is not there. That might be good fortune, but also a sign that you don't exist. Part of the problem is that by the time you have a book reviewed, let's say by a reviewer who really has worked hard to come to terms with the poems, the poems are already some five or six years behind you. It is flattering if good things are said about them, but not very helpful in terms of the unfolding of your own style or vision. For that you need a few friends who know your weaknesses, people you trust, who can help you get rid of the bad stuff or rework half written things. As for being understood, I don't know. Critics have complained of being backed into corners by poems which seem clear enough to me. Maybe because the best of them are deceptively simple when they are not.

CARGAS: *Do you read much poetry?*

KNOEPFLE: As much as I can. There's no real way unless, you know, you are a professional critic, there's no real way to get all the material, those boxes and boxes of new volumes. It would put you in the poor house if you had to buy them. And even if a critic lets you browse through his loot, you still are not likely going to see much of the small press material, work seldom sent for review to local outlets. And

a given small press volume if often the most exciting thing out in a given half year. You manage to keep in touch mostly by talking shop with any writer who comes into your area, and, of course, when you are off giving a reading somewhere, you get a chance to breeze the evening with some sharp people at times.

CARGAS: *Why do you write poetry?*

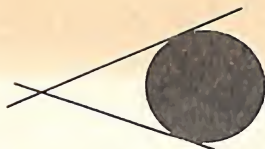
KNOEPFLE: Well, really because I want to. It's really as simple as that. I started in high school and worked at it off and on through college, but didn't scratch a line during the war. After the war I started again, and I guess around in the early fifties began to find my own voice and to shuck off other influences. It was about then I was putting the river men on tape, old timers, steamboat men, and became aware of the sounds of their voices. They taught me the oral history of the Ohio valley, too. So I had all that special material to work with and was able to mold something that really was mine, and came along.

CARGAS: *Do you have a personal work schedule that you follow - so many hours a day or so much time a day?*

KNOEPFLE: No. I have to work as I can, you know, with the four kids and the teaching. I just grab time as I can get it. It's always been that way, not believable when you think about it. I think in the future, though, I'll have to find some sort of a retreat. The way things are now, if someone turns on television and picks up a football game, I'm sure to get hooked. You can waste half a year doing that these days.

CARGAS: *Finally, what has it meant to you personally to be a poet?*

KNOEPFLE: Well, in terms of a find of social satisfaction, poems do have a way of creeping around, and every once in awhile you hear about someone, you know, some person one of your poems got to. You know, I have a theory about art, that it's always giving what it doesn't need to. It's the one thing you do that when it's done is totally shared. So it makes me feel good if I hear from somebody, say, in Cedar Rapids who tells me he was in a bar there and suddenly heard a girl quote the last five lines from "Heman Avenue Holiday," or to know that someone else took the trouble to paint that poem on the kitchen wall, or to get a letter from a student in India telling me that he came across a work of mine that meant something special to him - I have to say I like that. Then, too, I feel pretty good about many of the earlier poems that were firmly set in place, something I wanted to do early in the game. I don't think anyone wrote seriously about, say, East St. Louis before I did those poems in the fifties, at least it hadn't occurred to the kids I taught there to find their subject matter in and around themselves, and since then some sharp writers have come from that area. I can't claim myself as father to that, of course, but I have some kinship there and it has been acknowledged. But as for a personal response or satisfaction, things get complicated. It is very hard to keep a steady view of your own work. One minute you feel pretty good about this poem you wrote and the next you want to toss it out the window. I find, too, as I get older that the old arrogance is gone. After all, the world is not waiting spell-bound for my latest effort. I find it is a little harder to send poems out, a little harder to judge when this or that poem is shaped as well as I can get it. But I do like to write the poems. I like to see them begin to fill out and attach themselves to larger, nuclear units, and I like to try to change them and rework them, get out the bad rhetoric that is often in them - they do get heavily reworked, so much so that I think that often a reader reads right through them without seeing them. ■■



THE RIGHT WING

AMERICANS FOR CONSTITUTIONAL ACTION

Gerald Ford, named to succeed Agnew, had a voting index of 77 (out of 100%) with the right-wing Americans for Constitutional Action. ACA ratings of other GOP members: John Ashbrook, Ohio, 97; Sam Devine, Ohio, 97; John Rousselot, the California Bircher, 97; Leslie Arends, the Whip, 83; John Rhodes, Chairman of the GOP Policy Committee, 82; William Anderson, Ill., Chairman of the GOP Conference, 75.

CITIZENS FOR DECENCY THROUGH LAW

Citizens for Decency through Law, organized 20 years ago to fight pornography, has run afoul of the law in several states for spending too much of its income for fund-raising, according to the *Wall Street Journal* of Jan. 21. The group is best known as Citizens for Decent Literature, its name until recently. Various states require tax-exempt groups to spend a certain percentage of their budgets in advancing programs, rather than just raising money. New York officials report that in 1972, for example, CDL spent \$1.4 million, or 67 percent for administration and fund-raising. Top officers of CDL have participated several years in Birch activities.

CONSERVATIVE BOOK CLUB

The 10-year old Conservative Book Club, together with its publishing arm, Arlington House, has been distributing a steady stream of books on a wide variety of subjects. Here are some examples: *The Liberal Middle Class: Maker of Radicals*, by Richard L. Cutler, is supposed to tell "why Johnny — and Jane — are growing up radical." Similarly, *The New Illiterates* (and how to keep your child from becoming one), by Samuel L. Blumenfeld, urges "a return to phonics." And *The Death of the American University*, by Prof. L. G. Heller, makes special reference to "the collapse of City College of New York." *The Disaster Lobby* is about "prophecies of ecological doom and other absurdities." *The Strike-Threat System* ("There is no right to strike") is by Prof. W. H. Hutt, a hero of right-wing thought from South Africa.

LIBERTY LOBBY MEETS IN K.C.

Liberty Lobby claims that more than 750 patriots from 46 states attended its "survival strategy seminar" and Board of Policy convention in Kansas City. It was

climaxed by a dinner in honor of Robert DePugh, the head Minuteman, free after four years in prison. Incidentally, Willis Carto is emerging from the shadows of the far-right Liberty Lobby and running it more openly.

THE NATIONAL RIGHT TO WORK

The National Right to Work Organization, an anti-union effort, includes the following among its "Advisory Council of Business and Community Leaders" of its Legal Defense Foundation: William H. Weldon, publisher, News Tribune, Jefferson City, Missouri; E. M. Douthat, president, Locke Stove Company, Kansas City, Missouri; Frank Flick, president, Flick-Reedy Corporation, Bensenville, Illinois; H. Kenneth Foute, president, Drake Manufacturing Co., Chicago, Illinois; John J. Gallagher, president, Gallagher Asphalt Corp., Thornton, Illinois; Arthur C. Prine, Jr., vice president, R. R. Donnelley & Sons Co., Chicago, Illinois; C. W. Weise, vice president, Schaub Engineering Co., Downers Grove, Illinois and J. L. Wiggins, executive vice president, Automotive Service Industry Association, Chicago, Illinois.

ORGANIZE AMERICANS AGAINST UNION CONTROL OF GOVERNMENT

Americans Against Union Control of Government is the latest entrant in the anti-labor field. Its executive vice president, James L. Martin, recently left Richard A. Viguerie's right-wing fund-raising enterprise and set up his own shop near Washington. Before that, Martin had been an assistant to Representative (now Senator) Ed Gurney of Florida, who has been active in the "right-to-work" movement. The new group's opening fund-raiser is signed by Ralph de Toledano, right-wing columnist and author of an attack on Cesar Chavez and his United Farm Workers.

ROBERT WELCH — THE "ENEMY?"

Robert Welch, in the October *Bulletin* of the John Birch Society, has a long story about Birchers who have turned on him or the group. The main one, not named, is obviously Dr. Stuart Crane, a former paid

State and Congressional Votes

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coordinator for JBS in Michigan, then popular seminar conductor all over the country. The professor apparently accused Welch of being part of the enemy.



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